

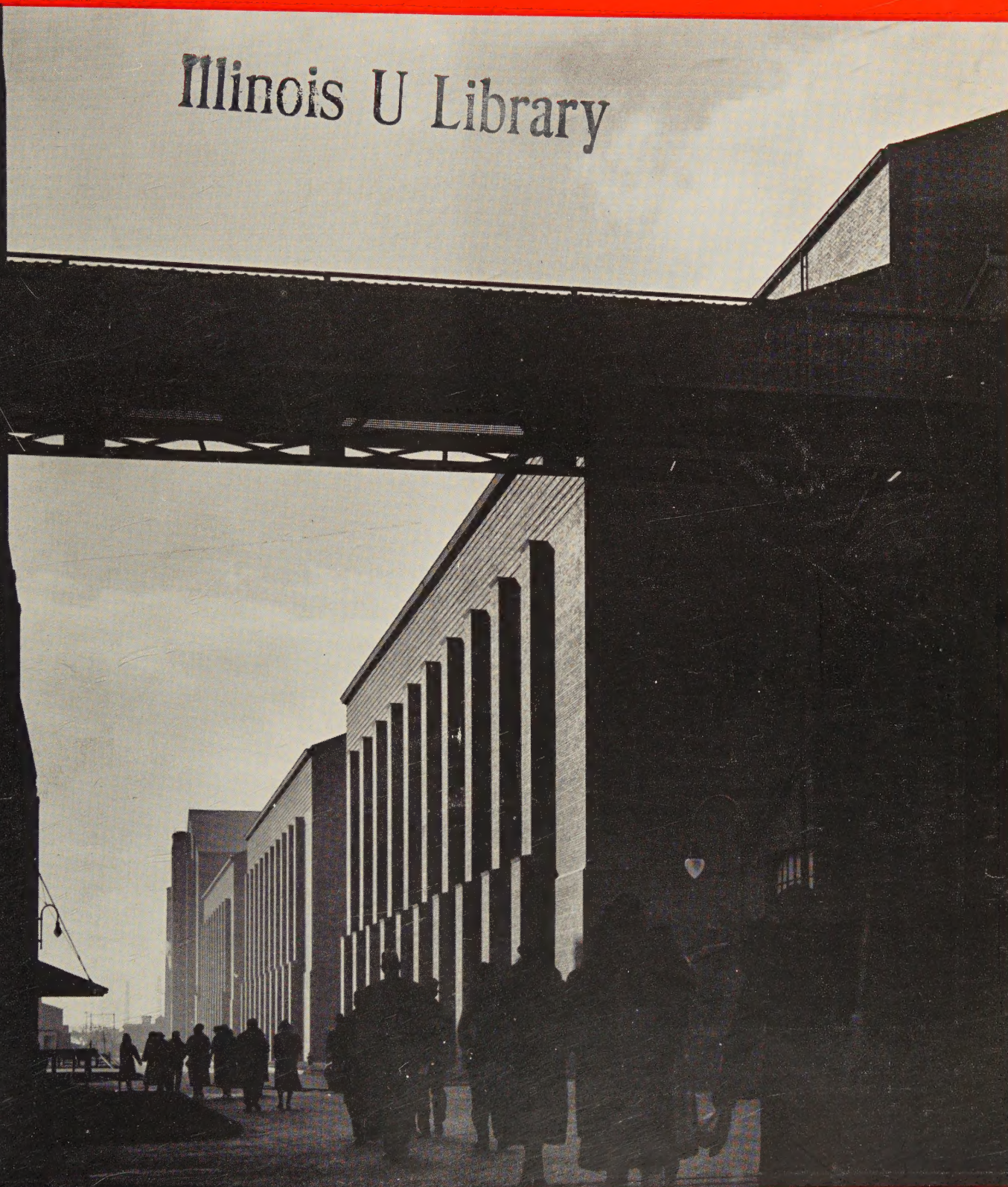
COMMERCE

M A G A Z I N E

JANUARY, 1950

25 CENTS

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The Art Of Talking (And Listening) To Employees—See Pages 18 and 19

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UNI-PULL

For Efficiency, Long Service, Low Maintenance You can't Beat The New Uni-Pull Drive With Water-Proof Leather Belting.

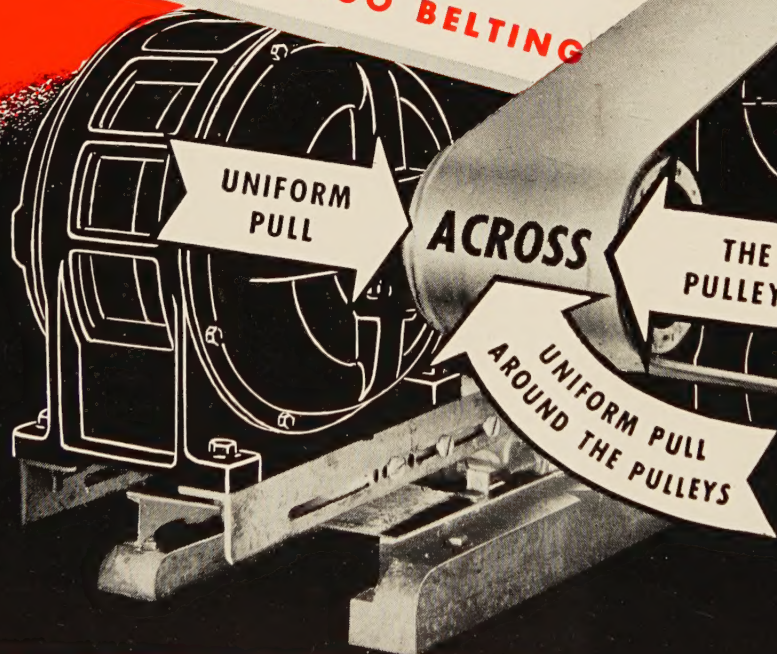
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with the

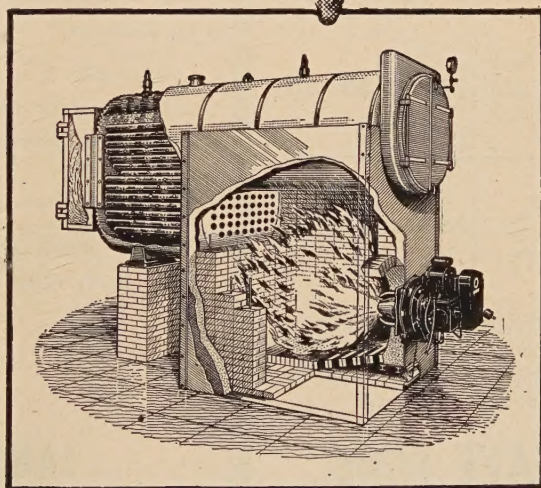
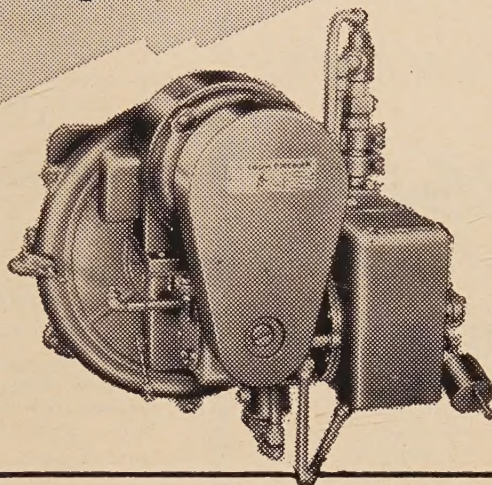
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STATISTICS OF

CHICAGO BUSINESS

	November, 1949	October, 1949	November, 1948
Building permits	750	703	588
Cost	\$13,442,200	\$12,952,000	\$11,687,400
Contracts awarded on building projects, Cook Co.	1,275	1,821	956
Cost	\$25,267,000	\$42,882,000	\$28,004,000
(F. W. Dodge Corp.)			
Real Estate transfers	6,019	6,117	5,601
Consideration	\$9,994,572	\$6,587,146	\$6,188,513
Retailers' Occupation Tax collection, Cook Co.	\$7,486,112	\$7,669,222	\$8,251,704
Department store sales index (Federal Reserve Board) (Daily average 1935-39 = 100)	270.6 ¹	223.6	285.4
Bank clearings	\$2,950,388,455	\$2,982,319,786	\$3,220,714,988
Bank debits to individual accounts: 7th Federal Reserve District	\$14,568,000,000	\$14,991,000,000	\$15,906,532,000
Chicago only	\$7,517,628,000	\$7,421,894,000	\$8,098,951,000
Midwest Stock Exchange transactions: Number of shares traded	682,000	640,000	683,000
Market value of shares traded	\$19,853,133	\$16,751,447	\$18,973,455
Railway Express shipments, Chicago area ..	1,261,449	1,257,360	1,622,043
Air express shipments, Chicago area	53,950	55,419	48,655
L.C.L. merchandise cars	22,043	23,072	27,465
Electric power production, kwh.	1,016,791,000	952,874,000	1,029,740,000
Revenue passengers carried by Chicago Transit Authority lines:			
Surface Division	55,680,488	58,365,127	65,739,186
Rapid Transit Division	12,717,287	12,628,871	14,824,674
Postal receipts	\$10,996,015	\$9,833,364	\$9,469,654
Air passengers:			
Arrivals	109,450	137,034	93,016
Departures	114,358	141,803	96,999
Consumers' Price Index (1935-39 = 100) ..	175.3	174.4	175.9
Livestock slaughtered under federal inspection	663,727	584,679	708,890
Families on relief rolls:			
Cook County	29,432	28,641	19,483
Other Illinois counties	21,369	19,568	14,833

¹Preliminary figure.

JANUARY, 1950, TAX CALENDAR

Date Due	Tax	Returnable to
15	If total O.A.B. taxes (employer and employee) plus income tax withheld in previous month exceeds \$100 pay amount to	Authorized Depository
15	Illinois Retailers' Occupation Tax return and payment for month of January.	Director of Revenue
15	Annual Federal Information returns. This is calendar year 1949 report—not fiscal. (Forms 1096 and 1099). 1099 not required on wages reported on Form W-2 (Rev.).	Commissioner of Internal Rev. c/o Processing Div., Pratt & Whitney Plant, Kansas City, Mo.
28	Last day for filing of annual Franchise Tax Report without penalty by domestic and foreign corporations. Based on end of fiscal year on or preceding December 31, 1949.	Secretary of State
28	Federal Excise Tax return and payment due for January, 1950.	Collector of Internal Revenue

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JANUARY, 1950

CONTENTS ☆

What's Ahead in Washington?	By Jack Robins	13
Security For Sale	By John Y. Beaty	15
The Fabulous Fluorocarbons	By Warren Anderson	16
The Art of Talking To Employes	By Dr. Donald A. Laird	18
The Unique Art of Listening, Too	By Lawrence McCracken	19
Business Books ...		
At Bargain Prices	By John L. Kent	20
What ECA Has Achieved For Europe	By Paul G. Hoffman	21
Watch That New "Wages and Hours" Law	By George Root	23

REGULAR FEATURES ☆

Statistics of Chicago Business	2
The Editor's Page	7
Here, There and Everywhere	8
Trends in Finance and Business	10
Invest—In the Middle West	31
Industrial Developments in the Chicago Area	35
Transportation and Traffic	39
New Products	42
Stop Me—If	48

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In This Issue . . .

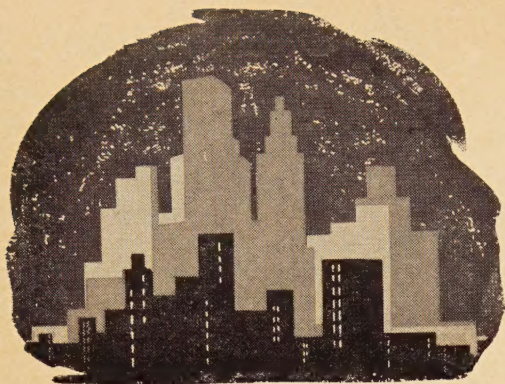
At the risk of a cart-before-the-horse accusation, we're beginning this column with a word about next month's issue. It will come to you in a new cover, one we believe will perform a genuine service for our readers. For further information about our face-lifting operation, see page 27.

If you've had time in the last few weeks to read a newspaper or listen to a news broadcast, you doubtless have heard that Washington is warming up for a new, and important, legislative season. While most folks were Christmas shopping, COMMERCE Washington Correspondent Jack Robins was rounding up a forecast story on legislation important to business which is scheduled to hit the Congressional hopper sometime this year. His report begins on page 13.

A businessman planning a major sale can obtain insurance against a volume-cutting rain storm. Also, a man who's planning to adopt a new manufacturing process can obtain insurance against infringing upon an existing patent. These are but two examples of an extensive variety of specific-risk insurance policies available to business and reviewed this month by James Y. Beaty in an article on page 15.

There's a budding branch of chemistry involving fluorocarbons that is likely to produce some radical changes in the automobiles, the clothes and the homes of tomorrow. For example, the lubrication in your car of tomorrow will be sealed in at the factory with no refilling or replacing ever necessary. The story of "The Fabulous Fluorocarbons" is reported by Warren L. Anderson on page 16.

This month's COMMERCE contains two articles concerning employee relations. One, by a well-known psychologist, explains the unique art of talking effectively to workers. The other, by Lawrence McCracken, suggests the wisdom of listening to workers as well as talking to them. The articles begin on pages 18 and 19.



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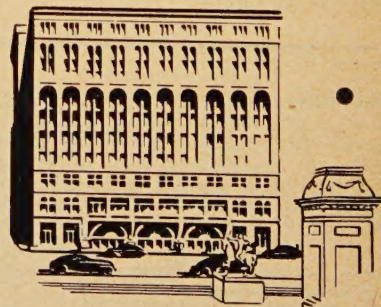
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The Editor's Page

■ Congratulations Mr. Sawyer

AS A result of Secretary of Commerce Charles Sawyer's recent swing around the country there is a new committee in Washington. It is the "President's Committee On Business and Government Relations." The committee, which consists of the secretary of commerce, the attorney general, the head of the Federal Trade Commission and the head of the President's Council of Economic Advisors, has three purposes, according to the official statement announcing its creation:

1. To stimulate the spirit and practice of competition in the business world.
2. To strengthen and broaden government efforts for the prevention of monopoly and restraints of trade.
3. To build a sound basis of mutual understanding in the relations between business and government.

These rather high sounding sentences have been reliably translated to mean that the committee is supposed to coordinate the government's anti-trust activities and spell out what the government wants so that businessmen may know clearly what the law is. This is a highly laudable objective. Anything done to reduce the present confusion as to what is legal and what isn't under the anti-trust and fair trade laws would be a step in the right direction.

Mr. Sawyer is to be congratulated on his idea and wished Godspeed in its execution.

■ Compensatory Budget??

SINCE the early days of the New Deal in 1933, this country has been following, under one name or another, one half of the so-called compensatory budget theory. The essence of this theory is that the government can stabilize the level of business activity by spending more than it collects in taxes when business is poor or receding, and taxing more than it spends when business is booming.

John Maynard Keynes was the original exponent of the idea, which was first sold to the American public during the depression under the homely title of "pump priming." Looking back, that title has been highly appropriate. In practice, Uncle Sam has almost invariably taken the position that business was bad or about to become so. The federal treasury has operated at a deficit in 16 of the last 19 years. The current fiscal year will bring the score to 17 out of 20 years. By official estimate, the deficit in the year to end next June 30 will be \$5,500,000,000, the biggest deficit for any peacetime year in the nation's history.

We are piling up the \$5,500,000,000 deficit in the

current fiscal year despite the fact that business averaged out at near record levels during the first half of the period and is expected to be at least as good during the next six months.

Meanwhile, after almost 20 years of following the theory that the federal treasury should be the mainstay of the economy, something like 25,000,000 people draw part or all of their income from government.

Looking ahead, President Truman says he sees no cure for the deficit except through higher taxes. In the President's eyes, there is no way to reduce the present \$42,000,000,000 annual spending level. The consensus of congressmen, economists and businessmen who have expressed themselves is that a tax boost would not only jeopardize the high level of business, but probably would reduce the revenue of the government as well.

This is the dilemma, along with a 50 per cent reduction in the purchasing power of the dollar, that the theory of the compensatory budget has produced in practice. It has been proved a one-way street that is politically practical only when the theory called for more spending. The solution is to abandon the idea that government taxing and spending should be used as an economic balance wheel, and to return to the principle that except in times of extreme emergency the federal budget must be in balance.

■ Help From The Stock Market

IN THE last six months of 1949 the stock market gave its belated confirmation to predictions of continuing good business. For three years prior to last June the market moved indecisively while business enjoyed the greatest boom in its history. During that period there never was a very conclusive answer as to why the market did not reflect business prosperity. Nor is there a conclusive answer now as to why it turned upward in June and reflects so much optimism currently.

Obscure as the reasons for the change may be, however, it is highly welcome. Not only does it make stockholders happy, which is in itself important, but it holds promise that there may be a better market for new equity securities in the not too distant future. Throughout the whole postwar period, corporations wishing to obtain new capital have been badly handicapped by the low price of equity securities. To get new money they have had no choice but to plow back an unusually heavy percentage of earnings, or borrow, or both.

If the stock market advance carries to a point that investors can again be sold equity securities, this burdensome handicap to an expanding economy will be removed.

Alan Sturdy

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HERE-THERE and EVERYWHERE

• **Government Selling Aid** — Now that the slightly nerve-wracking month of December is out of the way and a new year is with us, a good many businessmen will be looking for ways to strengthen and broaden their markets during the months ahead. Those who may be thinking in terms of selling more goods to the government (or selling to the government for the first time) may find invaluable help in a new series of federal publications called "GSA Supply Reports." These reports periodically summarize the far-flung operations of the Federal Supply Service, which is in the market for nearly 50,000 articles. They also list outgoing invitations to bid, plus a brief report on major changes in supply policy and procedure of interest to concerns doing business with the government. There is no charge for the reports; they can be obtained by writing to the GSA Office of Public Information and Reports, General Services Building, Washington 25, D. C.

• **The Job Outlook** — There's some less-than-encouraging news for college seniors this month. Jobs for June college graduates will be distinctly fewer than in June 1949, according to Northwestern University's bureau of placement, with the poorest prospects being in personnel work, electrical engineering, sales, chemistry, mechanical engineering, accounting, and chemical engineering. There are two bright spots; the best 1950 opportunities are expected in the insurance field and (as might be guessed) in merchandising.

• **Sightseers Show** — A familiar old industry show that appeals to just about everyone will be back in business again this year after a

lapse of exactly 10 years. It is the Chicago Automobile Show which will set up shop at the International Amphitheater from February 18 through 26. Advance reports are that the show will set an all-time record in space demanded since more than 90 per cent of the 120,000 square feet available to truck and passenger car manufacturers had already been allocated last month.

• **Safety Licenses** — Automobile owners in the state of Maine are finding something new and different in the mails this month. In the interest of greater highway safety, the state's 1950 auto license plates have been made with "Scotch-lite," a reflective material developed by Minnesota Mining and Manufacturing Co. The plates are said to pick up the headlights of approaching motorists more than 1,200 feet away, a fact that is expected to reduce rear-end collisions materially.

• **Death By Taxes?** — Another thing businessmen may be thinking about this thought-provoking month of January is taxes: too high, too many, and altogether too constant. Evidence that a sky-high tax structure is more serious than merely something to grouse about comes from the editorial pen of the London *Economist*, which points out that high taxes are literally destroying England's industries. Example: pre-war the cheapest British cars cost about £125; two million were in use — equal exactly to the number of people whose yearly income after taxes was at least four times the price of the car. Today, with high taxes on both cars and income, the cheapest British cars cost well over 300 pounds; while

(Continued on page 45)

reaching the

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in Chicagoland

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Very truly yours,

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J. F. Ferrari, President

COMMERCE

M A G A Z I N E

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The Weakening Dollar and Your Pension Plan

From 1914 to July, 1949, the purchasing power of the consumers dollar declined from \$1.00 to \$.43. Funds invested in fixed income securities, or held as cash, during the past decade alone experienced a capital levy in the form of a depreciation of about 40%.

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Trends in FINANCE and BUSINESS

Labor Force Ends Long Relative Rise

An Institute of Life Insurance survey of another facet of the labor situation has turned up some statistics of far more than passing interest to top management. The gist of the survey is that the nation's labor force has been growing faster than our total population for over half a decade, but now it is approaching a relative downturn. This means that our steadily increasing demand for goods and services can henceforth be satisfied only by greater productivity. No longer can we count on more and more workers to provide for our total population.

The historical picture is that the nation's labor force rose from 22,200,000 in 1890 to an estimated 62,300,000 in 1949, a rise of 181 per cent. In the same period the total population rose from 62,900,000 to 149,200,000, or only 137 per cent. Taken decade by decade, however, the statistics show that the relatively greater increase of labor strength has been steadily slowing down to the point where—in the 'forties—both labor force and total population each rose exactly 13 per cent.

There was, of course, a wartime bulge in the labor force but subsequent departures of over-aged, under-aged and female workers have since cancelled out this distortion. As for the future, the Bureau of Labor Statistics sums up the outlook this way:

"In the first half of the 1950's, when the small generation born during the mid-1930's will be reaching working age, there will be a sharp slump in labor force growth. The average annual increase of about 400,000 (without immigration) will be lower, absolutely and

percentage-wise, than in any comparable period in recent years. In the late 1950's the bumper crop of babies born during and immediately after World War II will begin to move into the labor force. Labor-force entries will therefore rise, probably reaching their peak in the early 1960's (but) after 1965 the rate of labor-force growth is expected to turn downward again."

« « » »

\$3 Billion In Direct Wages Lost Since 1937

In a highly interdependent economy it is virtually impossible to determine how much the nation loses as a result of strikes. There is an indication of part of the loss, however, in a recent National Industrial Conference Board survey showing that some 25,000,000 workers, directly involved in strikes since 1937, have lost about \$3,000,000,000 in direct wages alone. There is no way, the NICB notes, to figure related costs to the economy occasioned by the third of billion lost days of work.

The survey disclosed that annual wage losses resulting from strikes have amounted to at least \$25,000,000 each year since 1937. The figure reached \$100,000,000 in 1943, despite the urgency of war production, and since the war has been running in excess of a third of a billion dollars annually.

By far the largest portion of direct wage losses have been suffered by factory workers, who represent only about a third of all non-government workers, yet have accounted for almost two-thirds of the total lost time and nearly \$1,800,000,000 of the lost wages. Strikes are costing factory workers more every year, due partly to higher hourly rates. In 1937 they

lost about \$108,000,000 while on strike; by 1947, the figure had risen to \$163,000,000 and in 1948 it climbed to \$197,000,000. Accounting for the bulk of these losses in recent years have been large-scale stoppages in steel, machinery and other durable goods industries.

« « » »

Auto Makers See Strong Demand in '50

This mid-century year has, understandably, led the nation's auto makers to think back to 1900, when America was a land of "the livery stable, the hitching post and the mud road," and exactly 57 auto firms employed a mere 3,000 persons to produce 4,000 vehicles. Last year, curiously enough, there were 53 firms in business, but they employed half a million people and produced 6,200,000 cars, trucks and buses.

As for the future, the Automobile Manufacturers Association believe 1950 production will match or exceed that of last year. Auto makers, according to the AMA, begin the year with heavy demand in most parts of the nation, a situation partially arising from the fact that dealer stocks of new cars hit the lowest point for the year in December. As a result, many manufacturers have upped early 1950 production schedules.

Continuing strong demand for autos is also expected to result from a variety of economic factors. Among them: (1) increasing population; (2) a 30 per cent employment rise in the last decade; (3) an increase in national income of almost 200 per cent since 1939; and (4) the highest replacement need for both cars and trucks in history.

« « » »

Strength In Freight Car Market Seen

New freight car deliveries to American railroads totalled an estimated 93,350 last year, making 1949 the third highest year for deliveries since 1930, according to figures released by the American Railway Car Institute.

Reviewing the industry's outlook, the ARCI notes that the backlog of unfilled orders for do-

(Continued on page 43)

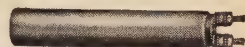
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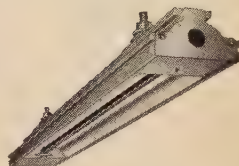
Immersion Heaters



Cartridge Heaters



Radiant Heaters



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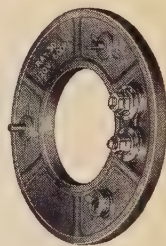
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What's Ahead In Washington?

By Jack Robins

An Able Capital Correspondent Reviews Probable And Possible New Business Legislation Now In The Offing

JUST one year ago the first Fair Deal Congress met in Washington in the wake of an election that gave the Truman Administration an identity distinct from the New Deal which fathered it. Now the same Congress is about to reconvene for the second half of its two-year labors.

What can business expect from Congress in 1950? It is a year that begins with bright economic prospects. It is also a year devoted to Congressional elections.

Business Pending

As is always the case between two sessions of the same Congress, all legislation which was pending at the time of adjournment in October remained in the status it occupied at that time. Bills which passed one house but not the other will not have to be considered from scratch. A certain amount of semi-finished legislation is on the calendars.

Surprisingly little of the total range of potential legislation affecting business, however, is in this partially digested form.

An area of much greater importance, because it deals with major policies affecting the whole economy, is that embracing the

official program of the Truman Administration.

There is a third area in which business legislation is shaping up. That is in the heads of legislators, as they express themselves in investigations and hearings. Several of these inquiries were in progress during November and December as a warmup for the forthcoming session.

Considering these three areas of potential legislation in the order of their importance, the first to examine for clues to future action is that embodied in President Truman's three messages scheduled for delivery soon after the convening of the new session—his addresses on the State of the Union, on the budget, and the economic report.

The decisions on policy which will determine the course of these messages were being made, as this was written, in conferences at Key West between the President and his top advisers. Details are always as closely guarded as possible until the formal presentation of the messages. Therefore a question mark remains over the considerations of political strategy that will dictate the makeup of the recommendations.

However, enough legislative history has been written by the Fair

Deal Congress to indicate the outlook for some of the major items.

Foremost is taxes. Last year Mr. Truman asked Congress to enact some \$4.5 billions in new levies, chiefly on corporations. Congress paid no attention.

The President made this recommendation at a time when there were signs of recession. Some hold that the recommendation itself had a psychological effect in deepening the slump that was then endemic. His last public expression of attitude on the subject, made at a press conference, was that he still wanted the additional taxes, but his remark was made off-handedly as if he well recognized the road block Congress had erected.

Tax Hikes Doubtful

Since Mr. Truman's original request, the recession, for which Dr. Edwin Nourse introduced the word "disinflation" into governmentalese, has receded and inflationary signs have reappeared. This naturally makes a difference in the underlying economic argument for more taxes; but against this new fact must be weighed the demonstrated reluctance of Congress to raise levies in an election year.

On balance, there is good reason to believe that a renewal of the

demand for new taxes, if made, will get no better response out of Congress in 1950 than in 1949.

The same kind of inertia is likely to prevent any change in existing excise levies. While pressure is strong for dropping them, responsible opposition leaders like Senator Robert A. Taft who ordinarily would favor repeal, recognize that they would involve a revenue loss of between \$1 and \$1.5 billions in the face of an over-all budgetary deficit.

The tax question is tied closely, of course, with the spending budget. At its first session the Fair Deal Congress appropriated \$37,827,124,521.96 in regular, supplemental, deficiency, and miscellaneous bills. With permanent appropriations totaling \$8,658,833,399, including interest on the public debt (\$5.45 billions by itself), this made an outgo of \$46,485,957,920.96 for the session.

Defense Budgeting

Is there any reason to believe that recommendations for 1951 spending will be materially lower? Secretary of Defense Louis Johnson, it is true, is making great efforts to trim the mammoth national defense budget (some \$15 billions for the current year)—and he is getting danger signals from the Armed Services committees which fear he is jeopardizing national security.

There are straws pointing the

other way. The Secretary of the Treasury and the Budget Director both recently went on record as believing that balancing the budget in any given year was not as important as the country's general welfare, as long as there was balance over a period of years.

Economy Talk, But—

Nor is the hope for Congressionally-imposed economy any brighter than in the past. Long experience has proved that the "economy drive" has a short life cycle. It buds when Congress meets, blooms as the appropriation bills start through the House, but wilts by the time the Senate gets through with them.

Repeated attempts were made last year, all unsuccessful, to order the President to trim bills 5 to 10 per cent, picking his own spots to do the pruning. Senator John McClellan of Arkansas embodied this principle in separate legislation, which is now pending on the Senate calendar. In view of some of the close 1949 votes on the issue, the proposal has a fighting chance, but the odds are against it.

Congress may try a new wrinkle in appropriations this year. Chairman Clarence Cannon of the House Appropriations Committee has announced he intends to consolidate the 10 or 12 "regular" annual money bills into one. He claims it will save money, though he has

failed to give any convincing reason why it should; professional staff members say that technical difficulties may make it impossible. A number of state governments use the one-bill system of appropriations, but none of them spends \$40 billions a year.

The budget area containing the greatest elements of uncertainty is that relating to foreign aid. Our appropriations for this purpose last year—military and non-military—amounted to about \$7,000,000,000. ECA took some \$5,350,000,000 of it. But the protracted fight before that appropriation was finally voted raised a lot of storm warnings for 1950.

Since then, members of the Senate appropriations committee who toured Europe to check up on our foreign spending have come back with a feeling that ECA should be limited to \$2,500,000,000 this year.

The original concept of ECA was that it would be tapered off gradually and end with 1952. Whether the administration will feel it can taper that sharply is doubtful, but if the President asks for more he is sure to encounter very stiff opposition. A growing Republican tendency to question the scope of our foreign largesse is evident, led by Senator Taft in his campaign for reelection in Ohio.

Best current information on the military side of our foreign spending is that the "military assistance plan" for Europe will call for around \$1,000,000,000, approximately the same as last year. Any new threat from Russia, however, would change that sum quickly. Some would feel it called for greater spending to arm Europe; others that it involved too great risk of total loss and that more money should be spent instead on our own military forces. Russia will continue to influence our budget in this respect, one way or another.

Labor Law Repeal?

Repeal of the Taft-Hartley act is the third major item affected by what President Truman comes up with. This also is pretty clear on the dope sheet.

Pending in the House is a Sen-

(Continued on page 34)



ECA help to Europe: a dynamite-loaded spending issue this year

Acme



Security For Sale!

"Specific-Risk" Insurance Serves Many Firms

By JOHN Y. BEATY

BRIGHT, young Harry X walked into his boss' office not long ago and announced enthusiastically that he had thought of a way to speed up production and, at the same time, reduce operating costs. His interest aroused, the boss listened closely as the idea unfolded and at length agreed it was a good one. Machines were altered, processes were revised; and, in short order, production was rolling at a hitherto unprecedented pace. Then the trouble started!

Idea Led To Trouble

First, came a formal notice from the attorney of another company to the effect that Harry's idea was not quite as original as it appeared. It was, in fact, an outright infringement, an allegation which became indisputable when the idea man admitted, under questioning, that he got his brain child after watching a patented device in a competing factory. The result was a costly out-of-court settlement and a crippling financial set-back to his own company.

This experience, which is not as

uncommon as many businessmen may think, could have been avoided by what is called "patent infringement insurance." This type of insurance, one of a host of specific-hazard policies now offered in the protection of industry, covers the sort of risk faced by Harry's employer, who committed the infringement, as well as by the company which threatened suit. The latter, of course, could be insured against potential losses from sales made by others who infringed his patent.

Since not one in a hundred businessmen is familiar with all forms of specific-risk policies available to industry, many merchants lose money first—then learn later that coverage was available all along. There is, for example, rain insurance, which promises a specified payment if rain falls on a certain date. A steel company purchased such protection to cover costs involved in a plant open house and similar policies are frequently

written against rained-out weddings, steamboat excursions, horse shows, carnivals, and a variety of sporting events. Now and then, department stores have taken rain policies covering days upon which major sales are planned, although here the question of actual losses due to

(Continued on page 29)



Some fluorine compounds are savagely reactive: chlorine trifluoride bursts into flame when poured on wood.

Harshaw Chemical Co.

The Fabulous Fluorocarbons

THEY PROMISE RADICAL CHANGES IN YOUR CAR, CLOTHES AND HOME

By WARREN L. ANDERSON

TO most people, the word "fluorocarbon" is a mouthful of chemical jargon that rolls pleasantly off the tongue but means next to nothing. This may be true today, but a decade from now "fluorocarbon" will probably be as common an expression as "penicillin" or "antihistamine." To the chemist, the reason is obvious: few other innovations in the long history of technology portend as many radical changes in as many contrivances of modern living.

The place of fluorocarbons in the future involves oils, solvents, isotope separation, rubber, cloth, fibers and lubricants, to mention only a few of their more utilitarian applications. Their vast potentialities arise partly from the fact that

fluorocarbons—unlike almost any other chemical—will neither burn, corrode, mold nor decay. There is a better than even chance that someday fluorocarbons will be the biggest of all branches of chemistry.

Entirely Man-Made

Fluorocarbons are chemical cousins to hydrocarbons, the massive group of hydrogen-carbon compounds. Add a little sulfur, oxygen and nitrogen to a combination of these two elements and you have the makings of almost anything you care to mention—including your own body. Hydrocarbon derivatives run the gamut from simple materials like alcohol and ether up to complex articles like silk, nylon, foods and most of our medicines.

Take the hydrogen out of a hydrocarbon and replace it with fluorine and you have a fluorocarbon. Depending on your starting material, you will wind up with a compound Mother Nature has never tried to make. Fluorocarbons, strangely, are almost entirely man-made and, like the hydrocarbons, can be gases, solids or liquids.

Fluorocarbons, according to Dr. J. H. Simons, fluorine expert at Pennsylvania State College, have vast potentialities in the construction industry. Both hydrocarbons and fluorocarbons depend upon carbon for structural strength. Hydrocarbon derivatives, used as they

are for fuel and food, must be combustible. But this hydrogen-produced combustion can also be destructive, as in the case of the LaSalle Hotel conflagration not long ago.

Had the draperies, furniture, slip covers and the oil in the elevator shafts of that structure been fluorocarbons, the catastrophe would never have occurred. The inside of the building would have been virtually as fire-proof as the outside. The reason: fluorocarbons simply will not burn!

Fluorocarbons may also revolutionize tomorrow's automobile, according to Dr. Simons. Its engine will have sealed-in fluorocarbon lubricants that will be truly permanent. Antifreeze will never be necessary and the radiator will never rust when the liquid in the cooling system is a fluorocarbon. Tires will be made of fluorocarbon substance that will last the life of the car!

New Auto Motors?

Fluorocarbon-dyed seat covers and upholstery will be both dirt and fire-repellent, and if fire should somehow break out, the cooling system liquid would be instantly available as a quick and effective extinguisher. Motors, too, may be drastically changed. A high-temperature turbine driven by a dense stream of fluorocarbon vapor could feasibly replace the internal combustion engine.

Some of these developments will,

of course, come sooner than others. All now appear to be highly practical applications of fluorocarbon chemistry. When such test-tube developments are converted into commercial realities, they are likely to revolutionize not only automobiles and building practices, but whole industries as well.

A Violent Chemical

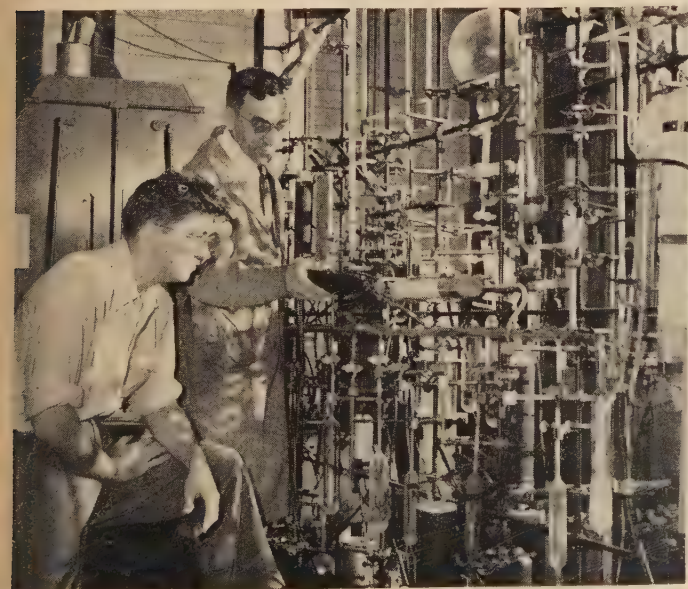
Fluorine, the basic material of fluorocarbons, is one of chemistry's 96 elements. Along with bromine, iodine and chlorine, it is one of the four elements comprising the so-called halogen family, meaning "from the sea." In its free state, it is the most reactive element known. A pungent, yellow-greenish gas, fluorine's almost unbelievable realm of compounds include the most energetic, the least reactive, the safest, and the most dangerous compounds in chemistry's total portfolio. In a word, fluorine is loaded with superlatives.

Take, for example, the new plastic recently announced to the American Chemical Society by a team of Oak Ridge chemists. This plastic, as incredible as it sounds, cannot be dissolved by any known solvent at ordinary temperatures! This unique product even flouts such all-powerful chemicals as sulfuric acid and caustic soda.

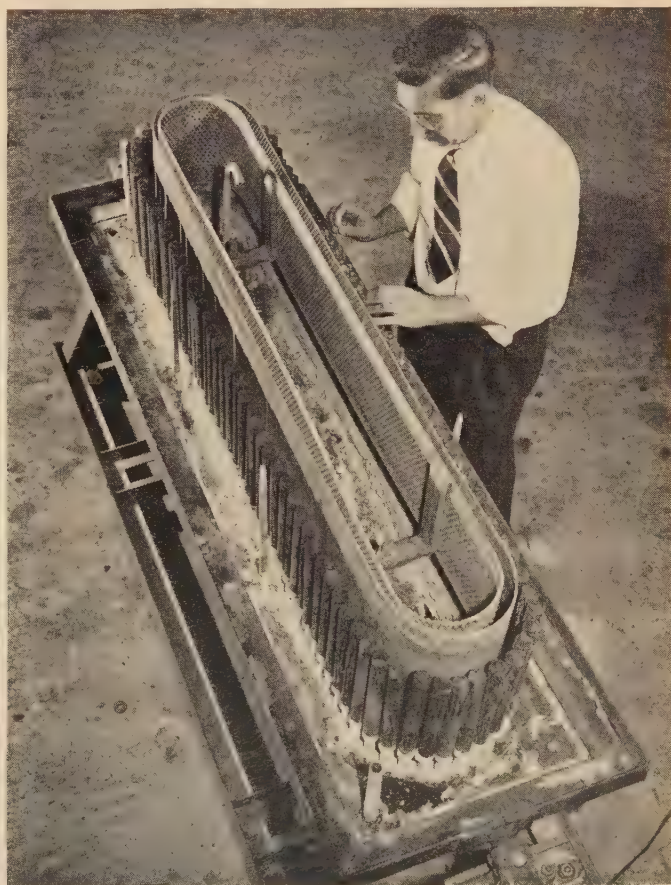
Known as "fluorothene," it is being manufactured by the Carbide and Carbon Chemical Corporation at Oak Ridge for the U. S. Atomic Energy Commission. It is one of the fluorine plastics made possible by World War II research on the atomic bomb project. Fluorothene has already been fabricated into acid-repelling flasks, tubing, test tubes, and beakers. Flame-sprayed on a suitable base, it has also been made into porous, multi-layered filter disks that are impervious to both organic solvents or acids. Nor are they wet by water, because water simply rolls off fluorothene. Because of high production costs at present this filter medium will not immediately replace any now in use. Nevertheless, where radioactive or corrosive materials are used, fluorothene filters appear to be ideal.

The current interest in fluorocarbons goes back to Penn State, Oak Ridge and "Joe's Stuff." A little over twelve years ago, researchers at Penn's fluorine laboratories discovered that carbon-fluorine compounds could be made

(Continued on page 25)



Pennsylvania State College



Harshaw Chemical Co.

Scene in Penn State's fluorine lab

Commercial fluorine-making apparatus



Proper conversation helps a man overcome his problems himself.

Kaufmann-Fabry

Know Your Workers

The Art Of Talking To Employes . . .

By Dr. DONALD A. LAIRD

IF YOUR best friend's feelings are easily hurt, what is the best way to help him get over his touchiness? Would you: tell him to snap out of it; argue with him about his foolish attitude; tell him how sorry you feel for him; tell him people don't actually try to belittle him; or tell him to talk back to those who criticize him?

Answer: All five are wrong. Yet they are precisely the methods that many parents use to "straighten out" the personality quirks of youngsters. Worse still, bosses frequently think they, too, are acting wisely when they undertake to tell an individual what is wrong about his personality and how he should correct it.

One of the newest and most promising applications of psychology in business is a direct reversal of this "helping hand" policy of diagnosing and treating personality

deficiencies in others. It is the training of bosses, the "top man" down to foremen, to understand the art of getting people to talk the right way to solve their difficulties.

Learning to talk to a man "the right way" does not require a doctorate in psychology, but it does require a knowledge of the kind of conversation that makes a man resist help, pity himself and develop further illwill, and the kind of talk that helps a man understand himself and overcome problems himself.

"Psychological Moment"

This method is utilized by Dr. Bernard C. Covner, a Connecticut Wesleyan University psychologist, in a training course for supervisors of a New England needle trades company employing nearly 1,000. Phonograph records of interviews by psychologists are used to dem-

onstrate response-producing discussions. As a result, supervisors are taught to consider the many sides of each employe's personality. They analyze each worker upon the basis of what they know about him prior to an interview; afterwards, talk with each employe individually.

Significantly, a "psychological moment" is chosen for each interview — the moment when both employe and supervisor are in a good mood. The interviews are held in private; employes are treated with friendly sincerity, offered cigarettes or chewing gum to make them feel at ease.

Good Points First

After a bit of small talk the employe is told about some of his strong points which showed up in his analysis. This is brief, followed by a pause to get the employe talking. When weak points are brought up later, another pause gives the worker a chance to make suggestions on his own. Supervisors are trained to make no suggestions themselves.

"What can I do to improve?" a worker may ask.

The interviewer does not tell him what he might do. Instead, he uses the "turnback method." In other words, he turns the question back by saying, "What do you think you might do?"

This turnback is an extremely useful psychological tool. It keeps the other person leading the talking, thinking constructively about himself, and, at length, making his own decisions.

"Sometimes I get awfully gripped at things," another worker may say.

An amateur is likely to respond: "Well, don't we all get gripped at times?" or "That is something we all have to put up with," or "Tell me what gripes you." Such comments produce little further response.

Here, on the other hand, is the manner in which a trained supervisor might handle such a statement:

Worker: "Sometimes I get awfully gripped at things."

Supervisor: "Sometimes there are things that gripe you." Then a pause for the other person to continue talking. The supervisor did not say something that changed the other's mood for those moods need

to be preserved in order to root out repressed feelings. The worker is not being consoled, criticized, or agreed with, merely being given the understanding that the interviewer catches his feeling.

Typical Interview

This method of response to feelings is sorely lacking in everyday life. Instead, most of us tend to respond *with* feeling rather than *to* feeling.

The use of this psychological strategy is demonstrated in this interview between an employee who is still learning his job, and a supervisor who has been trained to lead him to understand himself from the inside out.

Supervisor: "Good morning, Bill. Won't you sit down?"

Bill: "Thanks."

Supervisor: "Well, how's the work going, Bill?"

Bill: "Oh, so-so."

Supervisor: "Bill, you remember the other day there was an announcement about rating all the workers in the department?"

Bill: "Yes, I wondered about it."

Supervisor: "I thought you might like to know more about it."

Bill: "Um-hum." (He seems hesitant, acts a bit uneasy.)

Supervisor: "You have been rated on several qualities we think are important for your job."

Bill: "I see." (A little curiosity, but no enthusiasm.)

Supervisor: "In general, your rating was good. You are industrious, work hard without having to be prodded. And you have a good understanding of your job, considering the short time you've been on it." (The good points are presented first. Does the good news thaw Bill out?)

Bill: "Well, I guess there's plenty more for me to learn, isn't there?" (Does the supervisor tell him what he needs to learn, or does he use the turnback to keep Bill talking?)

Supervisor: "You think you still have quite a bit to learn?"

Bill: Yes—well—I mean when I look at some of the guys that are really good I think, will I ever get that good?" (He pauses, but the supervisor says nothing.)

Bill: "Well, I—I get sort of discouraged." (Now the supervisor

(Continued on page 26)



Chairman Donald Comer of Avondale Mills takes workers on fishing junkets

... And Let Them Know You

... And The Unique Art Of Listening, Too!

By LAWRENCE McCracken

A PRIMER on effective employee relations might well be prefaced with Plutarch's admonition: "Know how to listen!"

Listening means, obviously, letting the other fellow have a chance to talk. On the social level, most wise adults have learned how to listen, at least some of the time. But in business relations with others, talking—in any of its several forms—is often regarded as a greater virtue than listening.

Not long ago a New York public relations firm set out to discover whether many company managements actually try to be good listeners. This survey uncovered three main facts:

First, there are hundreds of companies which are doing a skill-

ful job of telling their stories to employees—through employee publications, bulletin boards, paid newspaper advertisements addressed to workers, and even by such unique innovations as a master loud speaker system.

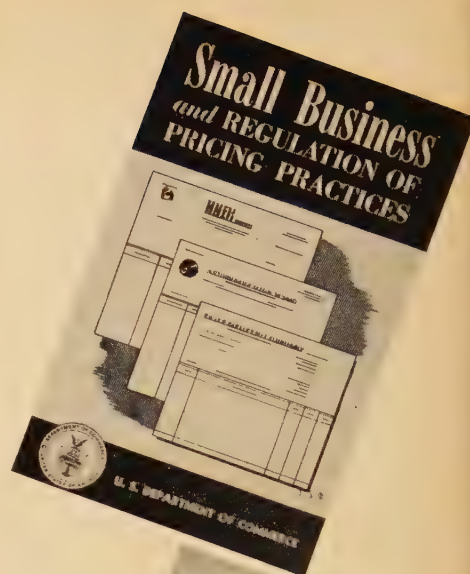
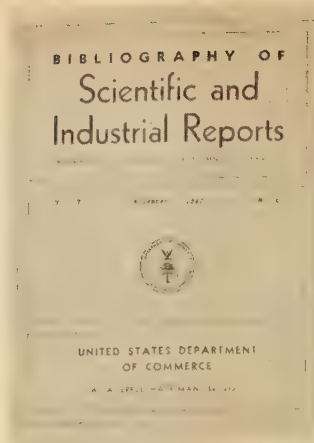
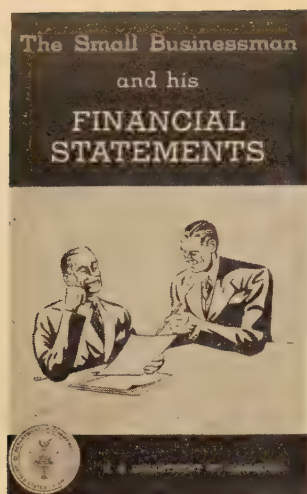
Second, not one in 20 companies doing a creditable job in one-way communications—from management down—is doing an equally skillful job in two-way communications—which means from the employee up as well.

Third, and probably the most significant finding, the relatively few companies which have obtained genuine two-way communications enjoy exceptionally good employee relations.

The manner in which companies have learned to become good listeners varies widely. There is,

(Continued on page 36)

NOTE: The material presented in this article is based upon findings of Dudley, Anderson and Yutzy, a New York public relations firm.



Business Books . . . At Bargain Prices

The "GPO"—A Vast Storehouse of Business Know-How

THE nation's biggest book publisher—who operates on a non-profit basis in order to provide customers a bargain-basement service—is having trouble these days drumming up the kind of volume that such altruism deserves. The beneficent publisher is the United States Government Printing Office which has found that the average businessman looks in a thousand and one other places for industrial information that the "GPO" has already published and placed on sale at cost.

The GPO, run by the Superintendent of Documents in several mammoth buildings in Washington, is also the world's largest publisher of business and technical books. Apparently few businessmen realize this, however, for in an average week the Department of Commerce receives several hundred letters asking about technical processes, commercial regulations and buying and selling practices already discussed in government-published books.

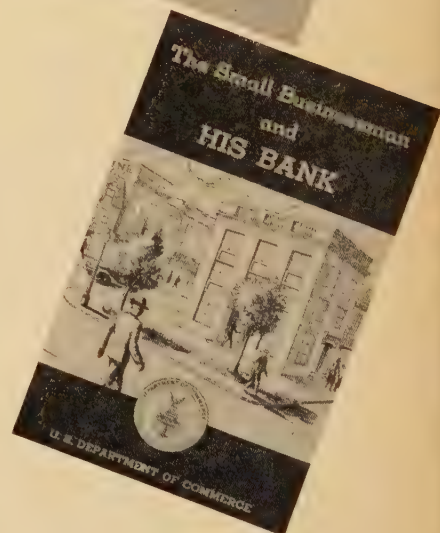
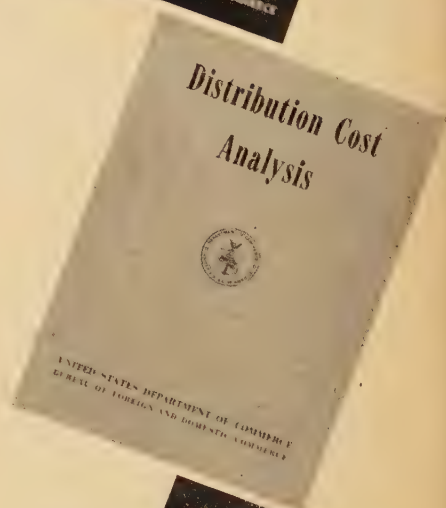
By JOHN L. KENT

The GPO's more than 30,000,000 publications range from a four-page leaflet on the care of the common cold to 25-volume encyclopedias and histories. A catalog showing only business publication titles is not issued for the simple reason that such a compendium would require several men to carry.

Two Classes of Books

These business books fall roughly into two classes: self-help books for individuals just starting in business, and technical and statistical works for established businesses. The latter are especially valuable in laying the ground-work for a selling campaign in new territory, expanding operations, and sizing up competition from related businesses.

The argument can be made that there are few, if any, problems a businessman faces that are not treated somewhere in the govern-



ment's huge library. Take, for example, the would-be merchant who wants to open a small store or shop, yet has never operated a business or been his own boss. For him, there is a whole series of Commerce Department pamphlets — popularly tagged the "E and O" books—which discuss the problems of establishing and operating everything from

(Continued on page 32)

What ECA Has Achieved For Europe

A Firsthand Report On European Recovery So Far,
Plus The Crucial Problems Still Faced

By **PAUL G. HOFFMAN**

Administrator, Economic
Cooperation Administration

EUROPE has achieved a spectacular recovery. Industrial production is now running 20 per cent above prewar. As a result of this year's bumper European harvests, agricultural production is at last equal to prewar. I know that this recovery would have been impossible had not these vast quantities of agricultural products been provided. Furthermore, if this recovery is to be enduring, Europe must continue to import on a very large scale. Historically, she has been the world's best customer for agricultural products, but if Europe is to be able to pay for these products some deeply rooted problems must be solved.

I want to tell you what those problems are, the conditions that created them, and what ECA is doing to help meet them.

Grew As A Free Market

Until the turn of the century Europe was the undisputed center of world trade and commerce. The conditions in which Europe's modern economy grew great were a substantially free movement of capital. Because Europe was in effect a single market, approximately full use was being made of Europe's resources. Competition exercised a relentless pressure on costs, and stimulated a continuous search for new and more efficient methods of production.

As a consequence of these favorable conditions, trade among the countries of Europe and between Europe and the world increased greatly. Wealth grew so rapidly that European capital flowed out in a great stream to high-yield enterprises throughout the world, stimulating still further demand for European manufacturers. And with minor exceptions, there was real peace among nations.

The breakdown of the European security system that accompanied the rise of German power late in the last century drove the nations of Europe to increasing political and economic nationalism. This na-



Foreign Aid Administrator Hoffman reporting at press conference

Acme

tionalism was intensified after the first World War as each nation sought to solve the problems of economic reconstruction along lines of national self-sufficiency. Tariff barriers were raised to heights theretofore unknown.

Restrictions Increased

Then came the world depression, and instead of attacking the problem of growing poverty by co-operative measures, each nation in Europe tried to solve it by beggaring its neighbors. Tariffs were no longer sufficient. The absolute trade restriction came into being in the form of import quotas and exchange controls. These rigidly determined the amount of goods that could move in international trade, and sharply reduced the influence of the competitive process on the flow of trade.

During the second World War the tools of peacetime nationalism

were converted to instruments of economic warfare. And after the end of hostilities, they remained instruments of economic warfare in the service of nationalism.

The situation after the first stage of recovery following the recent war reached the point of ultimate absurdity. For example, Italy had a surplus of textiles and needed wood pulp and other wood products. Sweden had a surplus of wood products and needed textiles. But quotas and exchange controls obstructed the adequate satisfaction of these wants through trade. Similarly, The Netherlands had a surplus of fresh vegetables and needed metals manufactures. Western Germany needed vegetables and had manufactures to export. The full satisfaction of these wants and needs was prevented by trade and exchange controls.

These examples could be multiplied by thousands. Fifty years of

growing protectionism by nationalistic devices had finally almost completely fouled the lines of trade and obstructed the channels through which the people of Europe could satisfy their needs. Trade restrictions had long since gone beyond the point of merely denying the consumers the cheapest and most efficiently produced goods. It had gone to the point of denying them goods they needed at any price.

The end result of economic nationalism in Europe is an economy in which the cost of producing goods is too high, the opportunity for distributing goods too restricted, and the standard of living of the people far lower than it should be. This condition has, of course, been aggravated by the two world wars, during the course of which Europe used up most of her overseas investments, drew extravagantly upon her natural resources, and, most pathetically, lost millions of her finest young men.

As Europe enters the second fifty years of the twentieth century, she faces no task quite so important as that of reversing the trend toward autarchy which has held sway during the first fifty years. That is the task I was talking about in Paris last October 31st when I met with the Organization for European Economic Cooperation. I urged Western Europe to integrate its economy and start building a free market of 270,000,000 consumers.

ECA Proposed Correctives

I also urged that the nations commit themselves to certain specific steps to be undertaken immediately which would start them on their way to this goal. These steps were a substantial elimination of quotas rigidly limiting imports of specific goods one participating country would take from the others; the elimination of dual pricing, which is the practice of charging a higher price for goods sold in export than prevail in the domestic market; and a new intra-European payments plan that will provide for substantial increase in the convertibility of currencies among the participating countries. The OEEC acted favorably by adopting a resolution pledging prompt action. While

there is no magic in resolutions, there is increasing evidence of acceptance that Europe means business. I'll be disappointed if within the next 90 days the specific steps which Europe promised have not been taken.

While Europe is providing for a freer movement of goods and services, she must also continue her drive for higher productivity, that is, greater output per man per hour. As of today, Europe's pro-

SPEECH OF THE MONTH

Made before the American Farm Bureau
Federation, December 14, 1949

ductivity is less than 50 per cent of that obtaining in the United States. There are many facets to this problem. Speaking of industrial production, higher productivity requires better machines, better methods and better attitudes on the part of both management and labor. Above all, it requires more horsepower. It is not the perversity of European labor that keeps down European productivity. Remember that while there is seven horsepower behind every American industrial worker, there is only two and one-half horsepower behind the European worker.

The attainment of greater productivity in agriculture is a similarly complex problem. It involves the laborious effort inherent in the adoption of improved cropping practices, better seed, the application of more fertilizer, and the upgrading of livestock, to say nothing of providing mechanical equipment. Somewhat parenthetically, may I say that as an industrialist I was surprised to find that agricultural productivity in the past few years has outpassed the gains made in our factories. Actually, it has increased 50 per cent in the last ten years.

ECA is trying to assist in bringing about increased productivity both in plants and on the farms, not only by the financing of modern equipment, but also by giving

Europeans access to American know-how. During the next six months some 800 people from the various countries of Europe are scheduled for visits to America. Among them will be some agriculturalists. As a matter of fact, one of the most interesting teams to visit America last year was the team of thirty young Dutch farmers, who spent some six months working on American farms. They returned to Holland full of enthusiasm both for American farming methods and American farmers.

These moves now underway in Europe, both to increase productivity and to free markets, should tend to give to Europe a much higher standard of living for her people and also put her in a position to earn the dollars she needs to buy the wheat, cotton, and tools she can purchase only in the Western hemisphere and only for dollars. But these moves, which after all require time, will not of themselves assure that Europe — when the Marshall Plan ends — will be earning dollars enough to earn her own way.

Emergency Action Needed

Europe is faced with the need for emergency action. I am glad to report that she is planning such action. Most of the participating nations either are planning or already have underway dollar export drives. They are eagerly trying to learn about what our people want in the way of goods and the prices they will pay for those goods. They know that they must not only give us the goods we want and at the prices we are willing to pay, but those goods must be packaged attractively and marketed aggressively. They are reconciled to the fact that there will be little or no profit on merchandise sold in this country until as a result of greatly increased volume and substantially increased efficiency their costs are brought down.

But the job is not entirely one-sided. We have got to be willing to buy from Europe. One of the greatest psychological blocks which stands in the way of Europe's earning more dollars is her fear, based on her own past experience, that

(Continued on page 43)



The corner newsboy—still exempt from wages and hours protection

By GEORGE ROOT

more industries to grant guaranteed annual wages.

5. It specifically forbids child labor except under carefully defined circumstances.

6. It establishes new means of enforcing regulations.

Basically, the law guarantees a minimum of 75 cents an hour for every worker in interstate commerce—that is, in trade, transportation, transmission or communications crossing a state line—or who works in the production of goods for interstate commerce, or in any process "closely related" or "directly essential" to the production of such goods.

Revised Wording

The old law promised 40 cents an hour and specified "necessary to production," instead of the new phrases "closely related" or "directly essential." The new words, in varying circumstances, may mean either higher pay for a worker or his removal from such wages and hours protection. The new language is important also because it involves the hours limitation—40 hours a week, after which time-and-one-half must be paid for all but exempt work.

As in the past, the revised law provides for a number of blanket exemptions—groups of workers who won't be covered. Some of the larger of these groups are executive, administrative and professional employes, outside salesmen, seamen, domestic servants, farm workers and those who can, pack or process agricultural products within the area of production.

Others excluded are taxi drivers, delivery newsboys, employes of papers whose circulation is less than 4,000 copies, and employes of streetcar, trolley and local bus lines.

These exemptions are clear-cut, but many other workers in local retail and service establishments fall into doubtful areas of coverage. Here the trouble is likely to start. The new law sets up tests to re-

There's some fine print, so . . .

Watch That New Wages And Hours Law

CONTRARY to popular notions, the nation's new "wages and hours law" does considerably more than merely guarantee a bottom 75-cents-an-hour income for workers in interstate commerce. The revised law removes federal wage protections from some workers, but at the same time brings many more, not previously covered, under wages and hours jurisdiction. For an estimated 1,500,000 workers, it promises higher wages. For many businessmen, it promises more than one interpretation headache.

Specifically, the new law—effective January 24—does these things:

1. It covers more workers, not so protected in the past, both as to minimum wages and maximum hours of work.

2. It removes protection of federal law from some workers previously covered.

3. It provides a new definition of what is "regular rate of pay"—for use in figuring overtime pay.

4. It sets up new rules which—Congress hopes—will encourage

solve disputes. Most important is the rule that a retail or service establishment is not covered if more than 50 per cent of annual dollar volume, representing its sales of goods or services, is made within the state in which the business is located.

Tricky Definition

This may seem clear enough, but the law's definition of a "retail or service establishment" is also something to reckon with. Such an establishment, says Congress, is one in which 75 per cent of its annual dollar sales volume is not for resale (rephrased, 25 per cent must go direct to consumers), and which is "recognized as retail sales or services in the particular industry." It's still a retail establishment, the law says, even if it makes or processes there the goods that it sells—provided that 85 per cent of its annual dollar volume of sales of such goods is made within the state.

Another special section of the law provides that a laundry that does more than 50 per cent of its business within the state is exempt from the law, provided that not more than 25 per cent of its dollar volume comes from establishments that engage in manufacturing, mining, transportation or communications businesses.

A number of similar fringe cases were not written into the law, but are described in the report of the House-Senate conference committee that wrote the law. Examples:

Maintenance, clerical and custodial employees are covered if the production workers of the same employer are covered—or if they do this work for somebody who contracts to do this kind of work for a company in interstate commerce. Employees of public utilities that furnish gas, electricity or water to firms in interstate commerce are covered, but window-washers doing business entirely within a state aren't covered, even though their customers may be in interstate commerce. Neither are employees of a local exterminator service firm.

"Regular Pay" Ruling

Here's another point to watch. The new law changes the rules on overtime pay by a new definition of "regular rate of pay"—basis of the time-and-one-half requirement for overtime. From now on, in figuring regular pay, you leave out Christmas bonuses or any other bonus that isn't measured by the number of hours worked or by the worker's output or efficiency. You also leave out pay given for unworked holidays, vacations, absences because of illness, or for

periods when the employees haven't enough work (layoff or show-up pay.)

Also, employers are given more freedom in making arrangements with individuals or unions for work at irregular hours. The law sanctions contracts that do not regard as working hours the time spent in changing clothes or washing up at the start or end of the working day.

Congress has deliberately written into the law several new rules specifically designed to encourage more guaranteed annual-wage arrangements. Such agreements may now be used to gain exemptions from the overtime pay requirements of the law.

The old law specifies that an employer who guaranteed his employees 2,080 hours of work a year had to pay overtime only after 122 hours a day or 56 hours a week. Otherwise, overtime began after eight hours a day and 40 hours a week. But, under the old law, if employees worked more than 2,080 hours in a year, they had to be paid overtime for every hour beyond eight a day or 40 a week that they worked during the entire year.

Guarantee Incentive

In contrast, the new law permits annual-wage plans guaranteeing anywhere from 1,840 to 2,240 hours a year, or for as little as 46 weeks of not less than 30 hours a week. If the worker has to put in additional hours beyond the guarantee, he is to be paid at the rate of time-and-one-half for only those additional hours. Also provided in the new law are exemptions for semi-annual guarantees in which the employee works no more than 1,040 hours in any 26 consecutive weeks.

The new law prohibits "oppressive child labor" in interstate commerce or in the production of goods for interstate commerce. This elaborates the former ban on interstate shipment of goods produced with child labor. The law permits children to work for their parents in any except hazardous occupations, to appear in theatrical performances, including radio and television, and to work as newsboys delivering papers to readers.

Under strengthened enforcement



"And that concludes my prepared speech. Now what I really want to say is..."

regulations, the federal wage-hour administrator can now bring suit for back pay owed to a worker—but only with the written consent of the worker, who thereby waives the right to bring suit himself for the wages and for his right to get an equal amount as damages. The administrator is forbidden to bring such a suit to raise a new legal issue—that is, he's restricted to basing such a suit on issues settled in previous cases. Also, there's a two-year limit on back pay.

Quite obviously, there's more to the new law than a 75-cent minimum wage guarantee. Many businesses will need expert legal advice to determine how much of the new law applies to them. There are, in fact, some officials in Washington who believe it will take some years of litigation to establish exactly the meaning of some of the more shadowy provisions of the wages and hours law under which business begins operating on Jan. 24.

The Fabulous Fluorocarbons

(Continued from page 17)

safely when suitable catalysts were used. Up to that time almost all such syntheses had ended in explosions.

The finding was timely. When atomic bomb work got under way early in the war, scientists found they needed a substance that could be mixed with a certain uranium compound without reacting with it. Only a fluorocarbon met the test, one that had been

isolated from preparations made in Penn State's fluorine laboratories. For security reasons, the newly-synthesized fluorocarbons were dubbed "Joe's Stuff."

Other new compounds soon followed. Gasket materials, lubricants, elastomers, valve packing—all fluorocarbons—were fitted into the gaseous diffusion plant at Oak Ridge where uranium is purified. Most of these catalytically-produced fluor-

ocarbons were, however, much too costly for commercial utilization. With few exceptions, their only economic justification was the winning of the war.

Dr. Simons and his associates, from discoveries made before the war, developed a new method, an electro-chemical process, that has now evolved into a successful pilot plant in St. Paul, Minn. Strangely enough, they don't know how or why their process works. "But the important thing," remarks Dr. Simons, "is that it does work, and in a highly efficient manner." It's safer and cheaper than the catalytic method and seems altogether practical for commercial operations.

Regardless of whether the catalytic, the electro-chemical or some still newer process is eventually used in fluorocarbon syntheses, the number of compounds that can be made is well nigh staggering—even to the chemist. It will far outnumber the one million strictly organic chemicals now envisioned; it could conceivably hit a mark many times a million times a million!

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Much of this prophecy, of course, hinges on the availability of fluorine, and on this score there is little cause for concern. It is not a rare element, as chemists use the term, even though it is distributed in the earth's crust only to the extent of about 0.03 per cent. But at this small figure, it is still three times as abundant as copper, 15 times as abundant as lead, 30 times as abundant as cobalt and two-thirds as abundant as chlorine.

In nature, fluorine is found only in combination with other elements as mineral. The most important of these is fluorite, more familiarly known as fluorspar. The latter is almost 49 per cent fluorine by weight. Between 80 and 90 per cent of our domestic production of fluorspar comes from the field that runs along the Illinois-Kentucky border. Sixty per cent of this production goes to the steel industry where it is used in the basic open hearth process as a flux that gives fluidity to the slag. The remainder goes to the chemical industry, which has steadily increased its consumption from 20,000 tons in 1936 to 129,000 tons in 1944.

Aluminum-Making Aid

Another fluorine-containing mineral of economic importance is cryolite, mined only in Ivigtut, Greenland. The Danish government owns the deposit and has a world monopoly on its production. Its widest use is in the aluminum industry, where it serves as the molten bath in the electrolytic process.

Smaller percentages of fluorine are also found in apatite, a mineral from which fertilizer-producing phosphorous is mainly extracted. It is in the form of apatite that the U. S. has its largest reserves. Every

day, 1,000,000 pounds of fluorine is dug from pits in Florida.

Related to the fluorocarbons are the "freons," which are compounds of carbon containing both chlorine and fluorine. One type of freon circulating as a liquid through coils, constitutes the heart of most modern refrigerators and air conditioning units. Freons have another household application in the common "bug-bomb." The push behind the mist sprayed at mosquitoes is a gaseous freon.

There are two fluorocarbon plastics on the market that are also freon derivatives. One is "Teflon," produced by the duPont Company; the other is "Kel-F," manufactured by the M. W. Kellogg Company. Teflon is used as gasket material in fluorine cell construction, but both products are still too expensive to be used any place except in those cases where nothing else will work.

Chances are that you'll hear as much about fluorocarbons in the next ten years as you have about plastics and television in the past ten. They will be called "fluorocarbons," "forocarbons" and "perfluorides" but they will be identical, as the cold-fighting antihistamine drugs are today.

Men of science are not, of course, inclined to make extravagant prophecies regarding new laboratory developments. Nevertheless, the comment of Penn State's Dr. Simons regarding the future of fluorocarbons reveals more than lukewarm fascination with one of science's most far-reaching accomplishments. The successful synthesis of fluorocarbons, he wrote recently, "stands not merely for a new kind of laboratory curiosity, but for millions of new substances, many of great utilitarian value."

Art Of Talking To Employees

(Continued from page 19)

might rush in and tell him not to be discouraged, which would be the wrong strategy. Instead he responds to Bill's feelings, keeps him on the track and does not interrupt his mood.)

Supervisor: "You feel discouraged when you compare yourself with some of the older workers."

Bill: "Yes, I—well, I watch them

work so fast, and I say to myself 'You gotta go faster,' but nothing happens. Except maybe my rejections go up." (The supervisor continues to respond to Bill's feeling, so the worker can find his own answer.)

Supervisor: "You think you have about reached your limit in speed."

Bill: "Yeah. It's been the same

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We hardly need add that we hope you will like the new cover. Write us . . . either bouquets or brickbats . . . we'll appreciate your opinion either way.

now for quite a spell. I try to speed it up, but just can't seem to. It's — well, I hate to think that's the best I can ever do."

Supervisor: "You want to do better, but can't seem to make progress."

Bill: "That's it. I'm not satisfied, but what more can I do?" (Pause) "Maybe I don't use the right methods."

Supervisor: "You think your trouble may be faulty methods."

Bill: "Yes! That must be it. I don't know. Do you suppose there is some way I could check up to see what I do wrong?" (Bill is beginning to see what his trouble is, and to put it into words. Now the supervisor begins to talk more, making good use of comparison at this psychological moment.)

Supervisor: "Most workers, even the ones you admire most, struck a snag like you when learning the job. Take Jack, for instance, he's one of the best we have, considering production and rejections. He had the same trouble as you when he was learning."

Bill: "He did! He's really good now. I didn't suppose he ever had any trouble." (Bill is feeling much better, and eager for help now. So the supervisor makes a suggestion, but in question form rather than bluntly.)

Supervisor: "Do you think it would help if you worked along with him a while; let him see if he can discover some short cuts for you?"

Bill: "Yes, that would help. I don't want to see my rejections go up when I try to speed. Maybe he can help me with that, too."

Supervisor: "You think you might need some help keeping your rejections low?"

Bill: "I—well, so far I think I've been doing all right there, haven't I?"

Supervisor: "Yes. Your rejection rate is O.K."

Bill: "I guess I'm sort of proud of that. I'm afraid to work too fast for fear I'll start to lose ground on rejections."

Supervisor: "You feel that if you emphasize speed you may lose the good record on rejects?"

Bill: "That's it. I think — well, sure those other guys are good. Their production records are better than mine, but look at their rejections. At least I have lower rejections, and that makes me feel better."

Supervisor: "Um-humm-n." (He says nothing so Bill will keep on talking. Bill is on the verge of making a self-discovery.)

Bill: "It makes me feel better, and I think about it a lot." (Pause). "You know I just happened to think, maybe I'm too cautious."

Supervisor: "You have to expect some rejects. We don't expect perfection, but if perfection is your goal, your speed may suffer."

Bill: "That's right, but I'd never figured it that way. I hope Jack can help me figure it out." (The



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supervisor makes a mental note that Bill has accepted the suggestion about Jack. Bill seems to have a little hero worship about Jack and they should work together well. Now that the way seems clear to solve this problem, the supervisor gives Bill an opening to bring up any other problems. When they stop it doesn't mean the end.)

Supervisor: "What else about your work has been bothering you, Bill?"

Bill: "I guess that's the main thing." (Pause, after which he slides back in his chair.) "Oh, sometimes I get griped at little things."

Supervisor: "Sometimes there are little things that bother you?"

Bill: "Yes—well, I guess they aren't very important."

Supervisor: "These other things seem unimportant." (The supervisor is going only as far as Bill goes. He lets Bill lead so he can talk about things it is difficult for him to express.)

Bill: "Yes—well, no. I mean they aren't unimportant." (Pause, and he pulls himself up in the chair.) "I guess I don't like to talk about them, because I know it's mostly my fault."

Supervisor: "Um-hum."

Bill: "I get griped, but mostly I'm mad at myself. I mean, well, sometimes I got to do a job that I don't like . . . I slam the tags down — then I'm ashamed. Or, sometimes when I take it out on

one of the other fellows — I feel ashamed again." (The supervisor doesn't mention that he knew Bill has a quick temper, which he wanted to talk about. Instead, he reflects Bill's mood to keep him

talking, so Bill can get his own incentive to improve.)

Supervisor: "You feel ashamed of some of these things you do."

Bill: "Yeah—it makes me mad because—well, I know I shouldn't behave like that."

Supervisor: "You find it hard to behave right some times."

Bill: "Yeah. Sometimes I guess I just don't stop to think of the other fellow. I think I can do better if I really try."

Supervisor: "The fact that you recognize a tendency to be thoughtless is a step in the right direction." (He gives Bill encouragement, not criticism.)

Bill: "I don't know how I happened to talk so much. Guess I have sort of rated myself, haven't I?"

Supervisor: "You have done a pretty good job figuring out your strong and weak points."

Bill: "I think if I work hard at it and if Jack helps me, I can improve my production, too."

Supervisor: "I think you can, and if I can help you, or if you want to talk things over again, just let me know." (The interview



Presidents of eleven scheduled airlines serving Chicago met at a Chicago Association of Commerce and Industry luncheon at the Sherman hotel where five were speakers. Seated (left to right): Francis M. Higgins, Wisconsin Central Airlines; Leverett Lyon, chief executive officer of the Chicago Association of Commerce and Industry; E. V. Rickenbacker, Eastern Air Lines; and W. A. Patterson, United Air Lines. Standing: C. E. Woolman, Delta Air Lines; J. H. Carmichael, Capital Air Lines; Ralph S. Damon, Trans World Airlines; Sidney A. Stewart, Chicago and Southern Air Lines; Gordon R. McGregor, Trans-Canada Air Lines; C. R. Smith, American Airlines; T. E. Braniff, Braniff International Airways; and T. H. Reidy, Helicopter Air Service.



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closes with the employe encouraged to come back.)

Bill: "I'll do that. Thanks for all the help. I was jittery when I came in, but you made me feel fine."

It was the pauses, the turnbacks, and the response to feeling that helped Bill clear his own problems, and leave feeling fine. The supervisor didn't try to reason it out with Bill; instead he gave Bill the real help of leading him to dig up the answers himself—a case of shrewd psychology at work!

Many an executive at industry's top level have learned to apply this kind of business psychology without the help of text books. Benjamin F. Fairless, the coal miner's son who became president of the United States Steel Corporation, declares, "I dislike giving direct orders. When one of our vice presidents, or the head of one of our operating companies comes to me for help, I generally counter by asking questions."

"First thing I know, he has told me how to solve the problem himself."

Security For Sale

(Continued from page 15)

rain presents a ticklish settlement problem.

Such business risk insurance, which is written against calculable and foreseeable losses, is distinct from the more unusual type of policies which are sometimes written to cover extraordinary "hazards." The headline-making policy written in behalf of comedian Fred Allen to prevent losses to members of his radio audience should they, by listening to him, lose out on a competing give-away show is hardly to be confused with an orthodox type of coverage like "consequential loss of contents of refrigerators."

The latter type policy protects a business concern against losses suffered when refrigerated food products are spoiled because the refrigerating equipment fails, due to fire or explosion. Another type of policy, called "rental value insurance" protects a building owner against rent losses caused by fire or other destructive elements. Fire insurance pays for the loss of the

building, but only "rental value insurance" provides for loss of income.

Tenants, too, can buy insurance protection against the cancellation of a favorable lease, due to fire, windstorm or explosion. A "leasehold policy" covers cancellation losses, as well as the tenant's losses represented by paid-for improvements—air conditioning equipment, modernizing, and the like.

Installment selling involves a number of headaches, but the underwriters have one aspirin tablet

called "merchandise floater insurance." Such protection could be invoked if a customer purchased a refrigerator, made one time payment, then had the appliance destroyed by fire. Merchandise floater insurance protects all goods, not yet fully paid for, which are sold on installment, leased, loaned, rented or sent on approval. It is looked upon with particular favor by a banker, for obviously a merchant who sells TV sets on time or leases automobiles might suffer losses that



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would hamper him in paying a bank loan.

There is a type of protection aptly called "profits and commission insurance." A commission firm, for example, has 10,000 bushels of potatoes in warehouse storage. Fire breaks out and the potatoes are lost. Ordinary fire insurance pays for the potatoes, but only profits and commission insurance would pay back the commissions that might have been earned if the potatoes had been sold. Similar protection can be written on goods stored to be sold at retail.

"Loss-of-use insurance" protects one's daily income, when dependent upon certain equipment. A lecturer, for example, uses a projector for illustrated lectures. If the projector is rendered inoperative, by certain hazards and daily income is thus cut off, "loss-of-use insurance" pays off. Similarly, it is possible to insure against losses of income that is dependent upon the use of an automobile.

Suppose a contractor agrees to build a concrete platform, then for some unknown reason the platform disintegrates shortly after it

is built. This type of loss may be insured against with a "maintenance-guarantee bond."

"Marine insurance," by its very name, fools many people, since relatively few business concerns actually ship by ocean boat. "Inland marine insurance," however, protects goods while in transit no matter where (exception: in the air) during the period for which the policy is in effect. Companies shipping by motor truck and theatrical troupes are large users of inland marine insurance; the latter, particularly, because scenery and props are clearly essential to the success of a theatrical troupe.

A young man walked nervously into the office of the president of a bank not long ago to report that certain bonds were missing when he checked the bank's portfolio. Together with an auditor, he had examined all records and could not account for the missing bonds. The president reviewed the matter carefully, then called in his insurance man and ordered a claim made for the missing bonds. Ultimately, the bank was reimbursed, thanks to a "misplacement clause" in its insurance policy, which in banking is known as a "bankers blanket bond." Brokers have a similar blanket policy with a misplacement clause.

"Professional Liability" Coverage

Business firms whose customers might make claims of bodily injury or death resulting from work done on their face and figure can purchase professional liability insurance. "Barber shop liability insurance" protects a barber from loss if he is found liable for bodily injury or death alleged to have been caused by him or one of his employees in performing the work commonly carried on in a barber shop; including manicuring, chiropody, hair dyeing, permanent waving, facial massage, and the like. "Beauty shop liability insurance" is virtually identical. "Morticians professional liability insurance" protects the undertaker against claims arising out of the mishandling of corpses. Lawyers and accountants can also purchase liability insurance protecting them against claims resulting from errors in their work.

As new mechanical devices come

(Continued on page 45)

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Invest in the MIDDLE WEST

Reviews of Middle-western Companies

By DANIEL F. NICHOLSON

THE popularity of South Bend Lathe Works' products with schools, small machine shops, auto repair shops, and with those who maintain well equipped home workshops, has enabled the company to fare comparatively well in the post-war era despite the surplus of machine tools made available as a result of the enormous output during the war years.

As one of the few machine tool manufacturers that has been able to combine mass production with high precision in its products, South Bend Lathe Works also has been in a position to hold price advances to a minimum. This competitive advantage has helped to offset the difficulties encountered in the company's export business, always a substantial portion of its total sales. While the company holds a large backlog of orders from Europe, South America, and other parts of the world, the universal shortage of American dollars among foreign countries has restricted shipments to these markets. Devaluation of foreign currencies is intended to increase the exports of the countries resorting to this device, and thereby ultimately to increase their supply of dollar exchange, but the immediate effect has been to make the prices of American goods higher in terms of the devalued currencies.

Postwar Products

New products added to the South Bend Lathe Works line since the end of the war helped its competitive position. These have included a group of high precision accessories, including angle plates, v-blocks, surface plates, a ball-bearing live center, a face plate chuck, a new universal tool block, and a four-position carriage stop. A new 14-inch drill press introduced in

1948 is now in full production, and the company is nearing full production on a seven-inch bench shaper. An addition to the lathe line is expected to be introduced shortly.

While South Bend Lathe products hold a favorite position for the home workshop, schools, and the countless small and large automotive repair shops and machine shops scattered throughout the country, they are also widely used in industry. The company's lathes range from the small nine-inch model to a 16-inch model. Among the large users of these products are the aircraft, automobile and farm equipment industries, the United States Army, and the Navy.

Founded In 1914

South Bend Lathe Works was incorporated in Indiana on September 8, 1914, to succeed a lathe manufacturing business established in 1904. The company was privately owned until October 1936, when public offering of 60,000 shares was made. In 1939 an additional 25,000 shares was offered.

Sales during the nine months ended August 30, 1949, were reported at approximately \$4,364,000, as compared with \$4,913,000 in the corresponding period a year earlier. However the 1948 figures were affected by a strike that reduced sales for the second quarter of the fiscal year to only \$671,000. For the full fiscal year ended November 30, 1949, it is estimated that sales were in the neighborhood of \$5,500,000, against \$6,840,000 for the 1948 fiscal year.

Earnings for the year ended November 30, last, are expected to be in the approximate range from \$2.05 to \$2.20 a share, against \$3.23 a share earned in the 1948 fiscal year.

Following is a comparison of net sales, net earnings, and earn-

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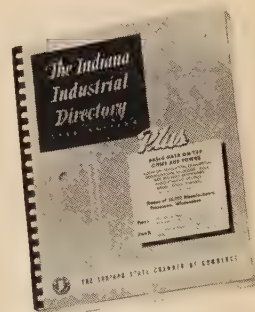
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ings per share, for the fiscal years 1937 to 1948, inclusive:

*Year	Net Sales	Net Earnings	†Per Share
1948	\$6,840,000	\$ 968,912	\$3.23
1947	9,763,672	1,429,984	4.77
1946	8,188,855	1,427,909	4.76
1945	6,993,291	526,261	2.92
1944	9,084,018	463,613	3.86
1943	13,035,765	535,333	4.46
1942	11,489,953	569,013	4.74
1941	7,949,287	916,891	7.64
1940	4,339,246	634,305	5.29
1939	2,240,942	386,870	3.22
1938	1,711,073	252,473	2.10
1937	2,378,061	384,790	3.21

*Years ended November 30, 1942 to 1948; eleven months ended November 30, 1941; December 31, 1937 to 1940.

†Based on 300,000 shares in 1947 and 1948; 299,991 shares in 1946; 180,000 shares in 1945; and 120,000 shares 1937 to 1944.

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Per share earnings adjusted for stock dividends paid in 1945 and 1946 were: 1945—\$1.75; 1944—\$1.55; 1943—\$1.78; 1942—\$1.90; 1941—\$3.06; 1940—\$2.11.

The company's plant is located in South Bend, Ind., and the various buildings comprising it have a total area of approximately 260,000 square feet. Plant facilities have been maintained at a high level of efficiency, and additions to floor area have been sizable in the last few years. In 1946 a Quonset type of building was erected for storage purposes, and in 1947 the company erected a three-story building to provide needed shipping facilities. In 1948, because of the expanded line of products and the necessity for carrying larger stocks of finished materials, the company acquired two parcels of real estate totaling about one and one-half acres, together with buildings which were modernized for storage and ware-house purposes.

At the close of the 1948 fiscal year, property, plant and equip-ment were carried at a net depreci-ated value of slightly more than \$1,000,000, including \$498,624 of fully amortized facilities built to increase production during the war.

South Bend Lathe Works has no funded debt or preferred stock. The sole capital issue consists of

400,000 shares of \$5 par valued capital stock, of which 10,000 shares are reserved for sale to employees; while 300,000 shares are issued and outstanding. The stock is listed on the Midwest Stock Exchange.

Dividends have been paid each year since the public offering of the company's shares. Cash pay-ments were reduced to \$1.60 a share in 1949, from \$2.40 in 1948 and \$3.40 a share in 1947. In 1946 the company distributed \$2.37½ a share prior to the payment of 66-2/3 per cent dividend in stock, and \$1 a share subsequently. Nine-teen forty-five cash payments con-sisted of \$1 a share prior to a 50 per cent stock dividend and 75 cents a share subsequently. Pay-ments in previous years were: 1944, \$2.25; 1943, \$3.50; 1942, \$3.25; 1941, \$5.00; 1940, \$3.40; 1939, \$1.75; 1938, \$1.30; 1937, \$1.75.

The company has consistently maintained a strong financial posi-tion, and preliminary figures as of November 30, 1949, show a further improvement over the 1948 fiscal year-end, when current assets to-taled \$5,038,905 against current liabilities of \$699,281. Included in current assets were cash \$477,479, U. S. Government securities \$663,034, accounts receivable \$701,267, and inventories \$3,197,125. Total assets were \$6,127,465.

Business Books . . . At Bargain Prices

(Continued from page 20)

an apparel store to a trucking busi-ness.

If the prospective merchant wants to open a retail shoe store, there's an "E and O" book to help him; there are also books discussing woodworking shops, service stations, sporting goods stores, even weekly newspapers. A list of titles and prices, called "Publications Relat-ing to Small Business," is available free of charge from the Superin-tendent of Documents.

More detailed studies of specific new-business problems are contained in such GPO booklets as "Selecting a Store Location" (20 cents), "The Small Businessman and His Bank" (10 cents) and "State, Regional and Local Market Indicators" (30 cents). The last publication is a valuable tool in estimating the potential market.

Once the would-be merchant has decided to go into business, the GPO can help him over early hurdles with a special series of 500 "Small Business Aids" compiled by the Commerce Department. One discusses advertising; another ex-plains how to write effective busi-ness letters; others are case studies of new businesses that made good.

A typical study concerns a man whose problem was to increase sales in his new florist shop. He hit upon the idea of joining a variety of civic and social organizations which resulted in new accounts from fellow members. Shortly af-terwards, he had gained the patron-age of 65 per cent of the members of one organization and no less than 45 per cent of the others.

Several more shelves of govern-ment publications are devoted to

the problem of keeping a business going, once it has been started. Many business failures are due, of course, to inadequate record-keeping; thus, four government pamphlets are designed to help the small full-time bookkeeper.

The first, called "Record Keeping for Retail Stores" (Industrial Series No. 80) describes a record-keeping system that is sufficiently flexible to be adapted to any retail operation. The second, entitled "The Small Businessman and his Financial Statements," (Economic Series No. 70), discusses the relationship between financial statements and record keeping. The third pamphlet, called "Record Keeping for Small Stores," was issued by the Seventy-ninth Congress, but it can be ordered from the Government Printing Office as Senate Committee Print No. 2.

Finally, "Simplified Accounting for Wholesale Grocers," is designed to give wholesale grocers the simplest known system of accounting, record keeping, and controls. The first two publications are 15 cents each; the congressional publication, 50 cents; and the last pamphlet, 20 cents.

Government Regulation

No merchant is in business long before he encounters the legal side of free enterprise. One helpful government guide is entitled "Small Business and Regulation of Pricing Practices," (Economic Series No. 61—15 cents), which distinguishes between legal and illegal methods of handling pricing problems and suggests how to make certain that current pricing practices are legal. Two related pamphlets dealing with regulatory matters are, "Small Business and Government Regulation," (10 cents) and "Small Business and Government Licenses," (15 cents.)

On the vital questions of distribution and selling, the Government Printing Office can provide, for 15 cents, a new Commerce Department pamphlet, "Distribution Cost Analysis," (No. 50 in the Economic Series). This is a study of the techniques of cost analysis at the retailing, wholesaling and manufacturing levels. Another widely-read publication is the Commerce Department booklet, "Developing and Selling New Products," a 75-

page guidebook to manufacturers which sells for 25 cents and charts step-by-step the experience of 100 business firms that have been successful in developing and selling new products.

Regular Periodicals

In addition to the pamphlets and statistical material the Government Printing Office publishes a number of business periodicals, which are available by subscription from the Superintendent of Documents. Here is a sample:

"The Business Service Check List," issued weekly, lists all materials published by the Department of Commerce during the previous week. Annual subscription: \$1.

"Industry Reports," issued on a monthly, bi-monthly or quarterly basis for ten specific commodity groups and for the construction and domestic transportation fields, contain current information on production, distribution, supply, demand and price trends. Free.

"Bibliography of Scientific and Industrial Reports," published weekly, lists reports received from civil and military agencies of the government and from cooperating foreign governments. Many concern information captured from enemy countries. \$10 a year.

"Foreign Commerce Weekly," covers major business and industrial developments throughout the world; news of world economic conditions, exchange and finance, details of official export controls, new commercial laws, tariff changes and other regulations. \$9 a year.

"Technical News Bulletin" of the Bureau of Standards is a monthly publication summarizing research, development and testing in progress at the Bureau. \$1 a year.

"Survey of Current Business," issued monthly, provides up-to-date data in major fields of economic and industrial activity, plus interpretive text, charts and statistics concerning business trends.

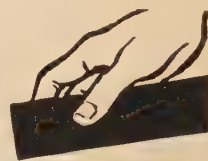
"Official Gazette" of the Patent Office, a weekly, contains selected drawings of all patents (including reissues), designs, trade-marks, and decisions of the United States Courts and the Commissioner of Patents. \$17.50 per year.

"Industrial Hygiene Newsletter" of the Public Health Service is a

monthly magazine of interest to plant managers. \$1 a year.

Government Printing Office statisticians who keep tab on requests for business publications report that volume has picked up sharply this year. The reason may be that business is harder to get, costs are up, business failures are rising. Hence, wise merchants are looking for assistance in connection with many problems.

Some GPO publications, particularly those involving sales promotion and cost cutting, are now sell-



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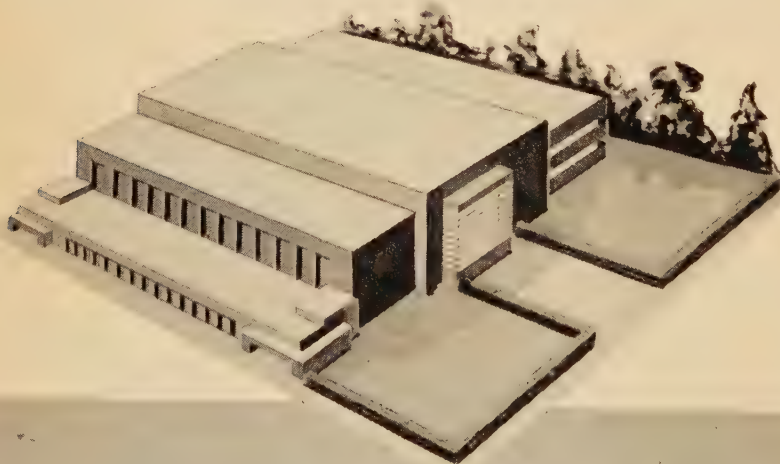
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ing by the hundreds of thousands—a good reason why more and more businessmen are contributing \$3 a year to receive the GPO's "Monthly Catalog of U. S. Government Publications" and thus keep in touch with the output of the world's biggest publisher and, some say, the government agency that provides the most practical assistance to both big and little business.

What's Ahead In Washington?

(Continued from page 14)

ate-approved bill following very closely the philosophy of existing law, modified in accordance with experience as brought out in the lengthy Senate hearings. The House came within an ace—one vote, in fact—of passing similar legislation.

Again, the question of political strategy will dictate whether it is included on the "must" list for this session, but the chances are better than even that the 81st Congress will adjourn with the Taft-Hartley law still on the books.

When it comes to picking up the legislation that was pending when Congress quit, Democratic Leader Scott W. Lucas of the Senate has made advance commitments that will keep the chamber going for many weeks.

In order to avoid prolonging the already overlong first session, Lucas put repeal of oleomargarine taxes down as the first major issue for the second. This legislation, which has passed the House, has a chance of passing the Senate if it can ever break through the filibuster which dairy state senators promise.

Second on the Lucas list is civil rights legislation, with the FEPC bill likely to be picked as the vehicle for testing this explosive issue again. Southern filibuster is sure to block it.

Basing point legislation, passed by Senate and House but reconsidered and postponed in the Senate, is technically scheduled for disposal in January but will probably have to wait until later.

Lucas has committed himself to early consideration of two other measures: social security and one of the Point IV bills.

The first, which has passed the House, adds some 11 million persons to the 35 million now covered by social security, increases benefits an average of 70 per cent, and

(Continued on page 40)



INDUSTRIAL DEVELOPMENTS IN THE CHICAGO AREA

INVESTMENTS in new construction, expansion of existing plants and purchase of land and buildings for industrial purposes totalled \$6,763,000 in December, bringing the total for 1949 to \$102,777,000. These figures compare with \$9,417,000 in December, 1948 and \$156,279,000 for the year.

Shell Oil Company has purchased a 73-acre site between the extension of Archer avenue and the G.M.&O. tracks in Bedford Park from the Clearing Industrial District, Inc. The property will be developed as a blending plant.

Catalin Corporation of America is constructing a plant on a seven-acre site in Calumet City. The plant will be adjacent to Spencer Chemical Company from whom Catalin will get raw materials. Catalin Corporation manufactures liquid phenolic, urea and melamine resins for use in waterproof adhesives and binders. Blaw-Knox Company, general contractor.

Barker Chemical Company, 2258 S. Union street, manufacturer of lacquer and similar products, has purchased an 18-acre site, part of which is in Dolton, Ill., and part in Chicago.

Central Waxed Paper Company, 5659 W. Taylor street, will construct a plant at 5070 W. Roosevelt road. The plant will contain approximately 150,000 square feet of floor area. Battey and Childs, engineers and architects.

Powers Regulator Company, 2720 N. Greenview avenue, has purchased 13 acres of land at the corner of McCormick boulevard and Oakton street, Skokie. Hogan and Farwell and J. H. VanVlissingen and Company, brokers.

Rayner Lithographing Company,

2054 W. Lake street, has purchased the one-story building on the southwest corner of 47th street and California avenue. The building contains approximately 62,000 square feet of floor space.

Chicago Rawhide Manufacturing Company, 1301 N. Elston avenue, has purchased the property of the Majestic Radio and Television Corporation near Elgin, Ill. The property consists of 40 acres of land and a recently constructed plant which contains 185,000 sq. feet of floor space.

Speed-O-Print Corporation, 159 East Grand avenue, has purchased the former Bell and Howell plant at Larchmont and Ravenswood avenues. The factory is multi-story and contains approximately 87,000 square feet of floor area. The company manufactures office duplicating machines, papers and inks.

Northern Steel Corporation, a newly organized structural steel fabricating company, has purchased a 7-acre site on 25th avenue at Hirsch street in Melrose Park. The corporation is now constructing a plant on this site and expects to begin operating in May, 1950.

Wm. Wrigley, Jr. Company, 400 N. Michigan avenue, has purchased several parcels of land on Justine street near 35th.

Tractor and Equipment Company, 3515 W. 51st street, manufacturer of construction equipment, has purchased a 5½ acre site in Chicago Ridge, Ill. The company will construct a one-story brick and steel structure on this site.

O'Bryan Brothers, 4220 W. Belmont avenue, manufacturer of cotton and rayon goods, are building a second unit at 5220 W. Belmont avenue. The new structure will

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contain approximately 16,000 square feet of floor space. G. E. Pearson, architect.

Cripps Engineering Company, 5811 W. 66th street, tool and die manufacturer, will construct a one-story, 10,000 square foot building in the Clearing Industrial District.

Reliable Manufacturing Company, 753 N. Parkside avenue, has purchased a one and one-half acre site in Franklin Park on which it is constructing a one-story brick and steel plant. The company manufactures stampings and electrical appliances.

Poper Iron and Wire Works, Inc., 2814 W. Polk street, is building a 6,000 square foot addition to its plant.

Do-Ray Lamp Company, Inc., 1462 S. Michigan avenue, has purchased the building on the northwest corner of Wabash avenue and 16th street. The company makes auto and truck lamps, reflectors, flares, etc.

U. S. Sanitary Specialties Corporation, 435 S. Western avenue, has moved to new quarters at 1001 S. California avenue. The company produces industrial and institutional sanitary supplies.

Adeco Products Company, 4624 N. Ravenswood avenue, a new industry in Chicago, will manufacture diesel fuel injection equipment.

Standard Coil Products Company, 2329 N. Pulaski road, is expanding its plant. Klefstad Engineering Company, contractor.

Universal Form Clamp Company, 1238 N. Kostner avenue, is constructing additional floor space to its factory. The company makes concrete construction forms and accessories. Vern E. Alden Company, engineer; Herlihy Mid-Continent Company, general contractor.

Republic Molding Company, 4641 W. Lexington avenue, has purchased the building at 6467 N. Avondale avenue. The company is now constructing an expansion to the building, which will contain 20,000 square feet of floor area when completed. Republic Molding makes a general line of molded plastic products.

Spraying Systems Company, Inc., 4021 W. Lake street, has purchased

a site in Bellwood, on which it will construct a new plant. The company manufactures spray nozzles, industrial spraying equipment.

Unique Art of Listening

(Continued from page 19)

for example, the unique case history of the Unit Drop Forge Company, a Milwaukee concern whose union employees have made business headlines by pitching in and digging up new business (including one recent \$45,000 order) for their employer.

Back in 1945, when Unit Drop Forge suffered a crippling strike, management men came to the realization that their workers were very ill-informed about their company. When the strike was settled, the management determined to correct conditions immediately. Initially, four union leaders were invited to meet with four management men at a dinner. Company books were opened and all questions answered frankly. When the idea clicked, small dinner meetings with different groups invited each month were held. Shortly afterwards, members of management were invited to talk to the full membership at the union hall.

Superficially, this may appear to be just another example of management telling its story, doing all the talking. But no one does all the talking at a dinner for eight! In intimate surroundings, the employees' story was soon being told in frank and friendly terms. Management found itself listening as well as talking, for it had as much to learn from its men as to teach them.

As union leaders learned of company problems, they volunteered to lend a hand themselves. Through other union members, they learned of companies which could use Unit's products; later, they began setting up exhibits of their products at national union conventions (thereby encouraging fellow unionists in other concerns to play up Unit products to their bosses.) To be sure, business picked up, but—more important—management and labor were working together as a team.

In retail business, an adaptation of this plan has proved successful

Atlantic Steel Company, 5431 N. Damen avenue, is constructing a 10,000 square foot addition to its steel fabricating plant.

for John Ebersole, a small restaurant owner in White Plains, N. Y. Ebersole, a former president of the National Restaurant Association, learned years ago that dissatisfied customers seldom voice complaints; they simply don't come back again.

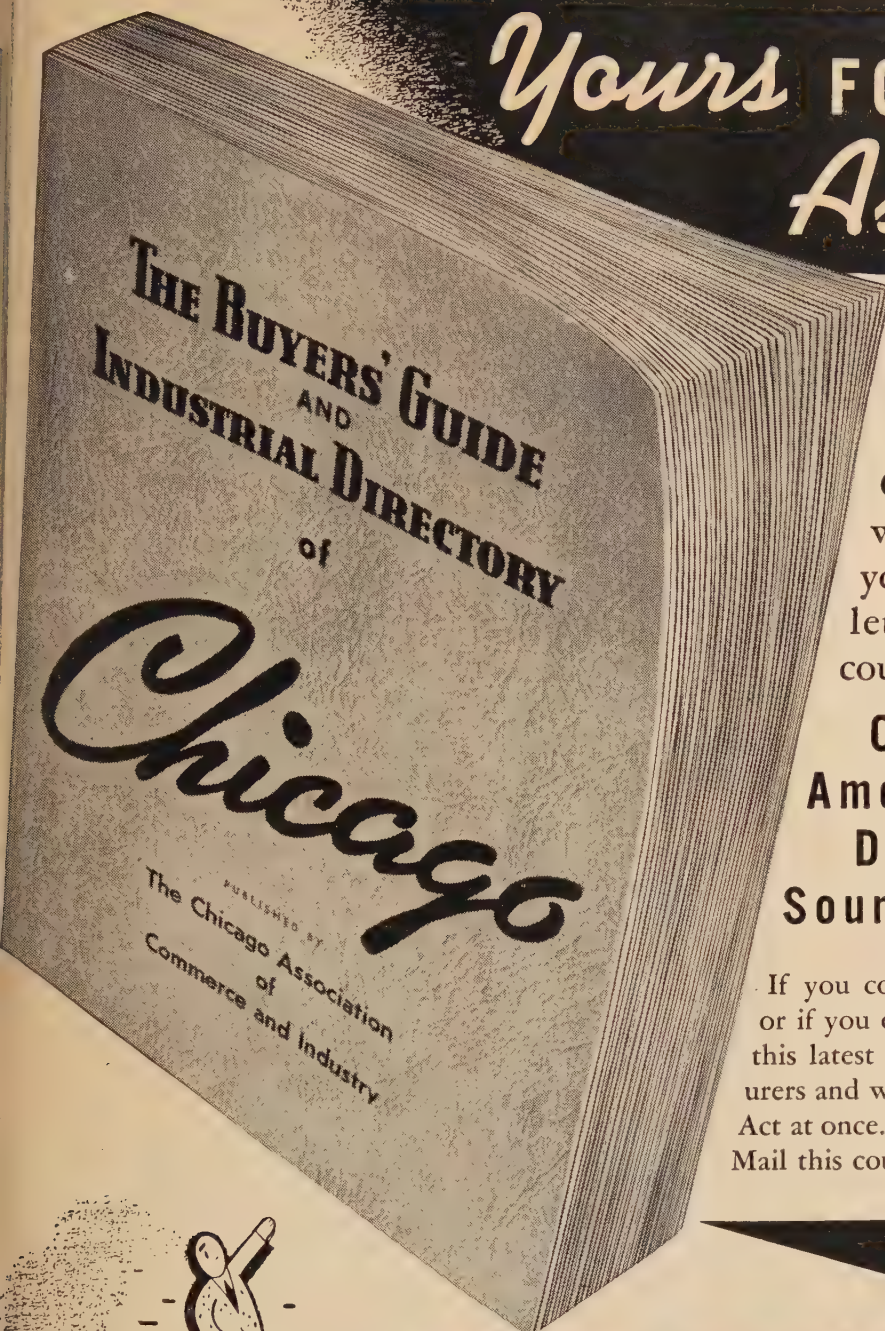
Hence, Ebersole created a visiting "board of directors," composed of some of his best customers, who meet for dinner once a month and pepper the restaurant owner with practical criticism. Typical gripes involve the testiness of a new waitress, the absence of mint jelly with their last roast lamb dinner, the frequent absence of fried oysters from the menu. Invariably, Ebersole acts swiftly on the suggestions of his "board members."

Saul Silverstein, president of the Rogers Corporation, Manchester, Conn., believes a businessman must satisfy three groups—employees, customers and stockholders. Most important, says Silverstein, are employees, so he assumes the responsibility of satisfying them. He spends evenings with employees, encourages them to voice gripes personally, entertains them informally, and gives them the care and attention he expects his sales managers to give customers. As another good-will measure, Silverstein introduced psychological aptitude tests in the hope that they would make employees happier—and more efficient in their jobs.

The Spartan Manufacturing Company, a Spartanburg, S. C., textile plant, sends a letter signed by the plant superintendent to each new employee after a month on the job asking him to drop in for a chat. He is encouraged to speak freely. In addition, each employee who quits is interviewed, partly to obtain a frank appraisal of company policies from one who is in a position to talk frankly.

Thomas J. Watson, chairman of the board of International Business Machines Corporation, tells employees that bosses are their assistants, placed in their jobs to help

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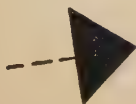
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employees and answer their questions. "If you don't get ahead and if you aren't happy in your job it's because you aren't asking enough questions," is a familiar commentary at I.B.M. plants.

The Potomac Electric Power Company in Washington, D. C., uses its employee publication to forward two-way communication. Each issue contains a return post card upon which employees are encouraged to ask questions or bring up annoying matters which aren't important enough for grievance committee action. All questions are answered in subsequent issues by an executive vice president.

Briefing Supervisors

The Burroughs Adding Machine Company at Detroit developed a method of two-way communication from a motion picture originally designed only to explain company policy to employees and stockholders. However, when President John S. Coleman called in 350 supervisory employees for an advance showing, he briefed them on how to answer likely employee questions. Sure enough, when employee showings began, questions came in avalanches but, thanks to foresight, answers were prompt.

Donald Comer, board chairman of Avondale Mills, Birmingham, Ala., makes it his business to call on some worker or his family, often in their homes. During winter vacations at Key West, he frequently invites a half dozen employees to be his guests for a few days. He keeps a constant stream of employees visiting and fishing with him. Comer has often said that fellow mill owners could not teach him as much nor be as interesting as the guests he chooses.

The chairman of the board of Sharp and Dohme, Inc., Philadelphia, Pa., held a series of 18 meetings on company time to talk with employees in groups of about 100 each. Each meeting ended with a question and answer period at which employees were encouraged to raise pertinent issues.

Similar plans have had excellent results with salesmen. Sales Manager Pat Magroder of the McKinley Liquor Company, Buffalo, N.Y., aided his men in organizing a McKinley Club to discuss company

business. It soon became evident the judgment of these men on the firing line would be valuable in higher company councils. As a result, the club now designates three men to sit with management to give the view of the salesmen on lines to add, type of promotion to employ, and other company policies.

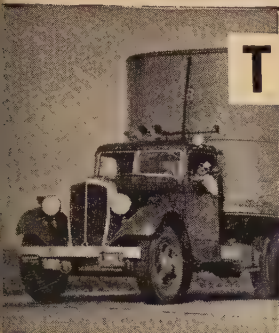
J. G. Shennan, president of Elgin National Watch Company, Elgin, Ill., believes enough in the rights of the employee to honest answers about his company to lay himself open to questioning. As he expected, one of the first questions shot at him was:—"How do you justify the large salary you are drawing?" Shennan quietly proceeded to justify it to the complete satisfaction of his employees—some, in fact, would have voted him a raise!

The Steel Improvement and Forge Company, Cleveland, O., experienced recurrent labor trouble until 1946 but it hasn't lost an hour of production in the last 33 months. President Charles H. Smith Jr., attributes the improvement partly to a thorough job by management in telling its story, which involves among other things a monthly employee newsletter regarding company plans and policies.

Union Cooperation

But, equally important, the presidents of the four unions in the plant meet monthly with Charlie Smith to discuss common problems. In addition, a customers' service committee has been set up with five employees, one from each union and one from the office, among its members. Others on this committee to better customer relations are the president, general superintendent, industrial relations manager, sales manager and two foremen, who are rotated.

The experience of these companies makes one point indisputably clear—there is nothing like personal contact and frank man-to-man talk on both sides to win friends in any area—among neighbors, club members, customers, or fellow businessmen. The same rule applies, with possibly greater appropriateness, to employees—companies that have tried it will tell you so!



TRANSPORTATION and TRAFFIC



THE Interstate Commerce Commission has announced that a further investigation will be conducted in the Docket No. 28300 Class Rate Investigation, 1939 proceeding. The scope and purpose of the investigation are:

1. To revise the basic scale of class rates set forth in Appendix 10 to the original report in order that such scale may conform to the present and prospective requisites of a just, reasonable and lawful basic scale of class rates to be applied in connection with a uniform freight classification now under preparation in Docket No. 28310; and

2. To determine what, if any, arbitraries should be added to the basic scale of class rates for the benefit of short-line and weak railroads, so-called.

Included in the commission's notice is a scale of rates tentatively proposed as a substitute for the Appendix 10 scale prescribed in the original report. The proposed scale is approximately 60 per cent over the original scale. Appendix 10 is the uniform scale of first class rates prescribed by the commission for application on traffic east of the Rocky Mountains, to be used in connection with the uniform classification ratings ordered in Docket No. 28310. Announcement of a further investigation in the proceeding came on the heels of a petition filed by Western railroads asking the commission for reconsideration and modification of its original findings. The railroads charged that if any scale of rates is prescribed that reflects the Appendix 10 scale, increased, it spells ruin for the western railroads.

I.C.C. Prescribes Rules Governing Payment of Express Charges: Rules and regulations governing

the presentation and payment of express charges were prescribed by the Interstate Commerce Commission in its order in Ex Parte No. 170, Regulations Governing the Settlement of Rates and Charges of Carriers by Express. The new rules, which become effective February 2, 1950, provide for the rendering of freight bills weekly with each billing covering the transactions of the previous week. A period of four working days following the end of the billing week will be allowed for the preparation and presentation of bills, and such bills will be payable within seven days after presentation, Saturdays, Sundays and legal holidays excluded. The rules prescribed by the commission conform with those proposed by the Railway Express Agency and supported by the Chicago Association of Commerce and Industry. Prescribing of rules for the presentation and payment of express charges became necessary with the enactment of Public Law 197, 81st Congress. This law, which also becomes effective February 2, 1950, invests in the Interstate Commerce Commission authority over the extension of credit by express companies.

I.C.C. Affirms Previous Findings in Lenoir and Schenley Cases: The Interstate Commerce Commission has affirmed its previous findings upholding the right of a shipper to transport his own goods in his own vehicles. In its further report, in No. MC-96541, Lenoir Chair Company Contract Carrier Application, which report also embraces No. MC-107079, Schenley Distillers Corporation Contract Carrier Application, the commission finds that the transportation performed by the applicants was incidental to and in furtherance of their primary business and not that of a contract

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or common motor carrier. Both applicants transported goods to their customers in their own vehicles at a charge equivalent to the common carrier rate. The proceedings were recently reopened for oral argument on the request of rail and motor carrier groups. The contract carrier applications filed by both applicants as a precautionary measure were discussed by the commission.

I.C.C. Prescribes Motor C.O.D. Rules: The Interstate Commerce Commission has prescribed rules and regulations to be observed by motor common carriers in the handling of C.O.D. shipments and the collection and remittance of C.O.D. amounts. The rules were set forth in the commission's order in Ex Parte No. MC-42, Handling of C.O.D. Shipments, effective February 1, 1950. The order applies to all transportation by motor common carriers, except transportation which is auxiliary to or supplemental to railroad transportation and performed on railroad bills of lading, and transportation performed for freight forwarders on freight forwarder bills of lading. Among other things, the rules will require the carriers to remit C.O.D. collections directly to the consignor, or other person designated by him as the payee, within 10 days after delivery of the shipment. If the shipment moves in interline service the delivering carrier must notify the originating carrier of such remittance at the time of payment. The commission did not approve recommendations made in a proposed report of its Examiner J. J. Williams which would require carriers to deposit C.O.D. funds in a separate bank account or trust fund and to file a surety bond to assure remittance of C.O.D. collections.

I.C.C. Refuses to Suspend Mixed Carload Rule: The Interstate Commerce Commission declined to suspend the modified Classification Rule 10 (mixed carloads) published to become effective December 1, on traffic from, to or within Western Trunk Lines and Southwestern Freight Bureau territories. The modified rule provides that a mixed carload shipment will be charged for on the basis of actual weights

and respective carload rates applicable to each commodity in the shipment instead of the highest rate applicable to any article in the mixed carload. A statement urging the commission to deny requests for suspension of the modified rule was filed on November 26 by The Chicago Association of Commerce and Industry. The Association's statement declared: "We are firmly of the opinion that the proposed modification of Rule 10 is in the best interests of the carriers as well as the shippers. It is the only method by which proper recognition can be given to the traffic and transportation conditions on each article contained in a mixed carload. Increased freight rates and poor less-than-carload service have restricted the distribution of commodities and made it difficult for shippers to market their products, particularly where long hauls are involved. The proposed modification will do much to encourage the free movement of traffic and provide a better rail transportation service to the public." The rule will become effective January 9 on interterritorial traffic between Official territory on the one hand and Western Trunk Line and Southwestern territory on the other.

Motor Classification Committee Separated From A.T.A.: The National Motor Freight Classification Committee of the American Trucking Associations has been dissolved and an independent and autonomous National Traffic Committee has been formed to investigate, consider and make recommendations on all matters affecting the National Motor Freight Classification. A.T.A. will continue to publish and distribute the classification, but its contents will be under the jurisdiction of the newly created committee. The change was made to conform with an agreement to be filed with the Interstate Commerce Commission under the Reed-Bulwinkle law. Henry E. Howell of Associated Transport, Inc. was elected chairman of the new committee to serve until June 30, 1950.

Hearing in No. 29770 Postponed to February 21: On the request of Official Territory railroads, the In-

terstate Commerce Commission has postponed the hearing in Docket No. 29770, Increased Less Carload Rates, Official Territory, from December 13, 1949, to February 21, 1950. The date for presentation of exhibits and testimony has been extended to February 1, 1950. The carriers asked for a postponement of the hearing to allow time to consider modification of their present proposal. This proposal presently provides for an increased scale of rates on less carload traffic in Official Territory, an increase in the minimum rate and minimum charge, and the establishment of a package minimum weight.

Effective Date of Rail-Barge Rate Order Postponed: The Interstate Commerce Commission has postponed the effective date of their order in Docket No. 26712, Rail and Barge Joint Rates, from December 31, 1949, to January 31, 1950. The commission's order required railroads and common carriers by water operating on the Mississippi and Warrior Rivers to establish the through joint rail-barge routes and rates prescribed in an earlier report. This report set differentials in cents per 100 pounds to be deducted from the first class all-rail rates in determining the joint rail-barge rates. A group of 25 railroads subsequently filed suit in the U.S. District Court for the northern district of Illinois to have the order set aside. The postponement of the effective date of the order was made to permit final disposition of the suit by the court.

What's Ahead In Washington

(Continued from page 34)

carries a sliding tax increase which will make the rate, now 1 per cent, 3¼ per cent by 1970. The Senate will add its approval to that of the House.

The Point IV bill, part of Mr. Truman's program for exporting American technical skill to underdeveloped parts of the world, would authorize the Export Import Bank to guarantee U. S. private capital against risks peculiar to foreign investment, such as lack of convertibility of currency, expropriation of investors' property, and physical destruction of property by

war. The Senate is expected to pass the measure and the House will follow suit.

Beyond the legislation already tentatively scheduled, the most important bill is the so-called "middle income" housing measure designed to give governmental assistance to private residential construction. It deals with a basic industry and will, it is estimated, step up home construction from the present rate of nearly one million units a year to something around 1.5 million. Its proponents believe it will offset the effect on the economy of a lowering rate of plant investment.

The most controversial feature of this bill is Title III, setting up a new billion-dollar agency, the Housing and Home Finance Agency, to make direct 50-year loans, at rates of about three per cent, to co-operatives or other non-profit housing corporations.

During the recess the Senate Banking and Currency Committee, which approved the bill by a one-vote margin, sent a subcommittee abroad to study European cooperative housing developments. As a result of their tour, members predict the title will be amended to the satisfaction of its opponents, and passed.

Clues From Hearings

The calendars alone, however, do not tell the whole story of what may be expected of the new session. Hearings have been in progress which hint that new legislation will be introduced when their evidence has been digested.

There is, for example, the investigation of RFC lending policy which was undertaken last session and will be renewed in the coming session. The size of the RFC stake in companies like Henry J. Kaiser's, and in Lustron Corp., have caused some critics, including Senator J. William Fulbright of Arkansas, to press for a re-examination of the philosophy behind RFC. There is already a bill to expand RFC functions by increasing the agency's total outstanding loan limit and to permit loans of longer maturity. The question arises: was it for this that RFC was originally set up?

Hearings held by Senator Paul Douglas of Illinois, as head of a joint economic subcommittee, have revealed some sentiment for strengthening the role of the Fed-

eral Reserve Board in the country's monetary and credit structure by extending reserve requirements to non-member banks.

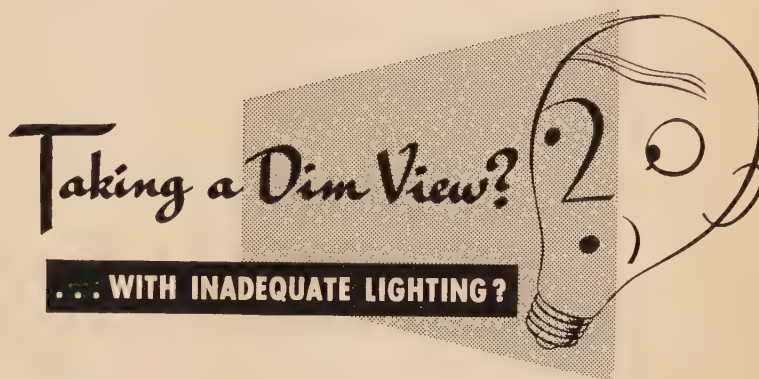
A House judiciary subcommittee has been exploring "monopoly" in business without giving any clear indication of its eventual aim. Incidentally, a bill prohibiting corporations from engaging in acquisitions or mergers which lessen competition or tend to create a monopoly, has passed the House and is awaiting Senate action.

The Truman Administration's batting average on domestic legis-

lation in the first session of the 81st Congress was not spectacular.

Its program did, however, undergo a sort of shaking down midway in the session and show a tendency to take hold. The history of the social security bill in the House was an example of this.

If that trend continues in the second session there will be more favorable action this year on some of the individual items of medium and lesser importance on the President's list. The biggest issues probably will await the outcome of the congressional elections.



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New Products

Pocket Warmer

Just in time for frosty January days, a unique little gadget — called a "pocket heaterette" — has hit the market. About the size of a pack of cigarettes, the midget heater is fueled by ordinary lighter fluid; one filling keeping it at 125 degrees for a 24-hour period. The heat is generated without flame by a small heating element. The manufacturer is David T. Abercrombie Co., 97 Chambers St., New York 7.

Anti-Rust Salt

One winter worry of the motorist is the fact that the salt thrown on streets to melt snow and ice also has a strong tendency to rust car fenders and underbodies. Now, however, the Carey Salt Co., Hutchinson, Kan., has come up with a new salt product that will tend to prevent such rusting. It contains "Banox," a rust-inhibiting chemical made by Calgon, Inc., which forms an invisible yet protective film on metal.

Protective Coating

Another metal-preservative coating composed of synthetic liquid plastic has been introduced by the Krome-Kote Co., Chicago 15, Ill. "Krome-Kote" is a clear liquid which can be sprayed, brushed or wiped on a variety of items ranging from steering wheels and bumpers to silverware and candlesticks. Once applied, it is said to protect surfaces against dirt, dust, and most chemicals.

Coin-In-The-Slot Fruit

There's still another type of vending machine on the market this month and it dispenses chilled fruit, in four different varieties, each of which can be seen through a window. The vendor, which holds 208 pieces, is manufactured by Fruit-O-Matic, 5225 Wilshire Blvd., Los Angeles 36, Calif.

New Garden-Cultivator

There's a hint of spring — however distant — in a new product of Will-Burt Co., Orrville, Ohio. It is a welded steel garden-cultiva-

tor, priced at below \$100, that weighs less than 100 pounds and is powered by a gasoline engine driving a single wheel through a roller chain.

Pocket Oiling Device

A gadget that looks like a fountain pen, clip and all, but actually is a fine oiling tool has been introduced by Gaunt Industries, 3521 N. Broadway, Chicago 13. The "hypo-oiler" is equipped with a long hypo-needle which simplifies the oiling of hard-to-reach parts. It is activated by pressure on the oil chamber.

Fire Retardant Paint

A new and super-resistant paint which when applied to ordinary newsprint, is said to withstand even a blow torch flame without igniting has been developed by the Flame-Seal Corp. of Illinois, 230 N. Canal St., Chicago 6. According to the manufacturer, a wood surface protected by "Flame-Seal" can withstand the direct attack of an intense flame for hours without igniting or showing any sign of flame spread. It is recommended as an interior protective coating for combustible materials used in ceilings, attics, stairwells, farm houses, factories, schools and hospitals.

Combination Ironing Bag

A new product in the housewife's helper department called "Damp-Champ" has reached the market. Damp-Champ is a plastic ironing bag that is said to eliminate the hand-sprinkling of each piece during home laundering. Instead, clothes are taken off the line, stuffed into the bag and moistened with a cup or so of warm water. Left to stand a few hours, each piece of laundry becomes evenly dampened, ready for speedy ironing.

Anti-Adhesive Paper

A silicone-treated Kraft paper, said to be non-adhesive to rubber, asphalt, pressure sensitive tapes and most other adhesive materials, has been introduced by the Central Paper Co., Muskegon, Mich. The new paper, which is not af-

fected by the silicone treating so far as color, feel and strength are concerned, is recommended for use as interleaving sheets for uncured rubber stock, camelback, tire tube repair patches, rubber tape, adhesive and friction tapes, as well as for asphalt shipping containers.

Super-Sensitive Control

The Minneapolis-Honeywell Regulator Co., Minneapolis 41, Minn., has developed a low-cost industrial electronic control instrument said to be sensitive to temperature changes as small as one-tenth of one degree. The device controls all types of industrial processing temperatures ranging between 20 degrees below zero and 300 degrees above, and is said to be immune to vibration, dust and dampness.

Outside Platform

A new window-washing aid that should greatly simplify that household chore has been devised by Morrison Crafters, Inc., 704 Miami St., Toledo 5, Ohio. "Windostep," as it is called, is a tubular steel platform device that locks inside and extends outside a window, enabling a housewife to climb outside, stand on the platform (inside the tubing structure) and wash windows in safety. Windostep weighs 11 pounds and supports 1,000 pounds.

Pocket Stapler

Fastener Corporation, 860 W. Fletcher St., Chicago 14, is the manufacturer of a new pen-shaped pocket stapler that holds 100 staples, yet is only five inches long and weighs a mere ounce and a half. A chromium-plated metal cap protects the stapling head.

Bumper Bumper!

Time was when an auto bumper was exactly what the name implied, but today a motorist groans at the thought of nicking a sparkling chromium bumper. So up comes the Milwaukee Specialty Manufacturing Company with a second bumper to protect the regular bumper. Actually, they are small rubber guards that clip to the top and bottom edges on the metal bumper. The manufacturer's address: 1237 N. Jackson St., Milwaukee 2, Wis.

Trends In Finance and Business

(Continued from page 11)

domestic freight cars dropped sharply during the year (from 103,896 in January to 14,146 in December), but it adds that the drop reflected relatively high delivery rates. Furthermore, according to the ARCI, there were definite indications in the closing weeks of 1949 that the railroads would be in the market for new freight cars in substantial volume, probably in the early months of the new year.

Indications of new order volume, reports the Institute, are requests from many railroads for bids on new cars, the recent raising of the per diem rental of freight cars from \$1.50 to \$1.75; the age of many freight cars now in service, and the fact that depleted backlogs will enable car builders to give prompt delivery in 1950.

A significant development last year which, the ARCI believes, should be reflected in 1950 order volume is the standardization of various types of passenger cars, which in turn should mean economies all around. During 1949, standardized floor plans covering all types of passenger trains except sleeping and commuter cars were proposed.

What ECA Has Achieved

(Continued from page 22)

there may be little point in trying to earn these dollars, because when she succeeds in breaking into our market, some special interest group in the United States which doesn't like competition will see that these goods are barred out. May I urge full support to this drive to expand U. S. imports from Europe. Neither the freedom of the Europeans nor our freedom will be secure until Europe is solvent.

By no consideration will the flow of European goods to the United States be very large. Indeed, it will be only a trickle. Europe's present need is to increase her dollar exports about \$2,500,000,000 annually. At the present rate, this represents less than one per cent of our national income.

We can give new hope and vigor to Europe in another way, and that is by making it clear that we in-

tend to carry the four-year Marshall Plan through to its completion. Under our American laws we must get a new appropriation from Congress each year. I know that many Congressmen and many private citizens returning from Europe this fall—where they saw the enormous improvement that I have outlined to you here—are going to say, "Why don't we reduce the amount of our Marshall Plan aid next year?" Let me remind you that we in ECA were the first to say that.

Cost Reducing

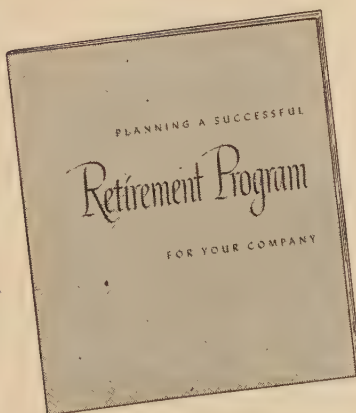
We asked for \$5,000,000,000 for the first year; \$4,000,000,000 for the second year; and we are going to ask for just a little over \$3,000,000,000 this year. The final year will be even less. I think, however, that we all must insist that if our program is to be sound and to succeed, it must be large enough to do the job. You remember the old saw, "You can't pull a man out of a 20-foot well with an 18-foot rope."

When you stop to think about where Europe was in 1947 and

where it is today, where the Russians were in 1947, as far as Western Europe is concerned, and where they are today, I think you will agree with me that the Marshall Plan has paid big dividends. It will take between \$5,000,000,000 and \$6,000,000,000 more to finish up this program. If Europe really solves its basic problems and becomes an expanding and cash-on-the-barrelhead customer for our exports, we will, in my opinion, get even more for our money. Most importantly, we should measure the cost of winning the peace against the cost of winning the war. Our actual out-of-pocket cost for winning the war was between 350 and 380 billions.

The other day I heard Gordon Gray, Secretary of the Army, estimate that before we are through paying for it, World War II will have cost us \$1 trillion 400 million. If \$15 billion will help us win the peace and give us 270 million customers with good appetites, I think you will agree that the Marshall Plan will prove to have been history's greatest bargain.

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INDEX TO VOLUME XLVI

COMMERCE

February 1949 — January 1950

(Departments appearing monthly and not indexed here are Industrial Developments in the Chicago Area; Trends in Finance and Business; Here, There and Everywhere; Statistics of Chicago Business; New Products and Transportation and Traffic. Miscellaneous brief items are not indexed.)

ECONOMIC

- What's Ahead—Readjustment, Recession or Depression? By Joseph Slevin. Mar. p. 13.
Industry's Real Need—More Expansion. By Sumner H. Slichter. Mar. p. 17.
Chicago Business in 1948. Mar. pp. 29-31.
"Both-Ways-At-Once" Policy: Expect Boom; Plan For Bust. By Joseph Slevin. Apr. p. 13.
As Capital Expenditures Go So Goes Prosperity. By Dexter M. Keezer. May p. 23.
Equity Capital Problem. By Robert E. Wilson, James F. Oates and Homer Hargrave. July p. 20.
Business Forecast: Fair. By Sumner H. Slichter. Sept. p. 16.
Will Recovery Continue? By Sumner H. Slichter. Nov. p. 13.
The Next 100 Years: Our Richest Yet? By Harold G. Moulton. Dec. p. 21.

FOREIGN AFFAIRS AND TRADE

- Can Businessmen Really Help World Understanding? By Charles Sawyer. Apr. p. 21.
Point Four: A Business-Like Plan for World Recovery. By Joseph Raymond. May p. 15.
What ECA Has Achieved For Europe By Paul G. Hoffman. Jan. p. 21

GOVERNMENT

- Trustbusters Chart Sweeping Anti-Monopoly Drive. By Joseph Slevin. Feb. p. 13.
M-Day Planning As It Stands Today. By Jack Robins. Feb. p. 17.
"Both-Ways-At-Once" Policy: Expect Boom; Plan For Bust. By Joseph Slevin. Apr. p. 13.
Dear Sir... Bring All Records. By Lewis A. Riley. Apr. p. 19.
High Finance... By Candlelight. By Joseph Slevin. June p. 15.
Taxes Headed Down—Not Up. By Joseph Slevin. July p. 19.
Taft-Hartley The Law That Escaped Repeal. By Sid A. Levy. Sept. p. 15.
What's Ahead In Washington? By Jack Robins. Jan. p. 13.
Watch That New "Wages and Hours" Law. By George Root. Jan. p. 23.

INVESTMENT

- There's a "New Look" In the Trust Business. By Herbert Fredman. Apr. p. 18.
Equity Capital Problem. By Robert E. Wilson, James F. Oates, Homer P. Hargrave. July p. 20.
Brokers' Row Sets Its Sights On John Q. Public. By Betty Savesky. Aug. p. 18.
Invest—In the Middle West. Financial Reviews of Corporations. Gibson Refrigerator. Feb. p. 31. Noblitt-Sparks Industries, Inc., Mar. p. 97. Sunbeam Corporation, Apr. p. 31. National Aluminate Corporation, May p. 35. Signode Steel Strapping Company, June p. 31. Trane Company, July, p. 31. Zonolite Company, Aug. p. 31. Peoples Gas Light and Coke Company, Sept. p. 35. Webster-Chicago Corporation, Oct. p. 31. Sangamo Electric Company, Nov. p. 31. Abbott Laboratories, Dec. p. 31.

LABOR AND MANAGEMENT

- Voluntary Arbitration Needs Less Heat—More Light. By Edward A. Egan. Mar. p. 22.
Labor's Bright Young Men. By Sid A. Levy. June p. 13.
Exit the Red Fringe? By Sid A. Levy. July p. 13.
Taft-Hartley—The Law That Escaped Repeal. By Sid A. Levy. Sept. p. 15.

MERCHANDISING

- Had Any Coupons Yet? Billions More Are Coming. By Herbert Fredman. Mar. p. 18.
What's Wrong With Direct Mail? By A. M. Andersen. July p. 15.

- Teaching Salesmen By Dramatics. Sept. p. 20.
Malts, Money, Movies—The Drive-In Business Is Booming. By Betty Savesky. Oct. p. 13.
Star-Spangled Salesmanship. By Lewis A. Riley. Nov. p. 15.

MISCELLANEOUS

- Economic Facts of Life and the Steel Industry. By Irving S. Olds. Feb. p. 20.
How Are Those Vet Businesses Doing? By Larston D. Farrar. Feb. p. 21.
Delivered Price Controversy. By Leverett Lyon. Mar. p. 23.
There's Nothing Academic About the Profits. By John A. McWethy. Mar. p. 25.
Is Your Money Out-of-Date? By Georg Mann. Apr. p. 15.
Atom Worries: There's More To Fear Than the Bomb. By Georg Mann. May p. 13.
Cal-Sag Plan: Bottleneck Breaker. May p. 21.
Behind Our Own Iron Curtain. By Bruce Barton. June p. 21.
Block That Ulcer! By Warren L. Anderson. Aug. p. 15.
Gardeners... In Business Suits. By Lewis A. Riley. Aug. p. 20.
Fighting Faith For America. By Charles Luckman. Aug. p. 21.
End Of An Era: G. I. Joe Leaves Campus. By Daniel F. Nicholson. Sept. p. 18.
Illinois' Billion Dollar Enigma. Sept. p. 21.
Fire Waste—The Tide Turns! By Lewis A. Riley. Oct. p. 13.
Goodby, Miss Jones. By H. P. Edgar. Oct. p. 15.
Death's Worst Enemy. By Warren L. Anderson. Oct. p. 16.
New Stock Mart Aids Midwest Financial Independence. By Daniel F. Nicholson. Oct. p. 20.
The Sportsman's Wallet: No Bottom? By Georg Mann. Nov. p. 18.
Toys, Unlimited! By Betty Savesky. Nov. p. 20.
The Case For the Defense: Edgar vs. Secretaries. By Herbert Fredman and Janine Ames. Nov. p. 21.
Operation Cost-Cutting. By Betty Savesky. Dec. p. 13.
Security For Sale. By John Y. Beaty. Jan. p. 15.
Business Books... At Bargain Prices. By John L. Kent. Jan. p. 20.

PERSONNEL

- Boss May Be a Liability. By Burleigh G. Gardner. Mar. p. 15.
Where Personnel Departments Fail. By Robert F. Browne. June p. 18.
Men, Men, Men... By Donald A. Laird. Aug. p. 16.
What Do Workers Really Think of Management? By Robert N. McMurry. Dec. p. 16.
The Art of Talking To Employees. By Donald A. Laird. Jan. p. 18.
The Unique Art of Listening. Too By Lawrence McCracken. Jan. p. 19.

RESEARCH AND TECHNOLOGY

- Static: Industry's High-Voltage Hot Foot: By Lewis A. Riley. Feb. p. 15.
Photography Dons Overall. By Eugene W. Nelson. Feb. p. 18.
Beryllium: Muscle-Builders For Other Metals. By Eugene W. Nelson. Mar. p. 20.
Nylon Without Glamour. By J. D. Lawrence. Apr. p. 16.
Weather Meets Its Master. By Joe Egelhof. May p. 16.
Glue Minus Old Dobbin. By John A. McWethy. May p. 18.
Research On A Small Budget. By Benjamin Melnitsky. May p. 20.
Mines Above Ground. By Georg Mann. June p. 16.
Boom In Nothing. By Eugene W. Nelson. June p. 20.
Doing Big Things On A Small Scale. By Georg Mann. July p. 16.

- Breakfasts... Factory Made. By John A. McWethy. Aug. p. 13.
Productivity On the Upgrade. By Betty Savesky. Sept. p. 13.
Atomic Understudy. By Georg Mann. Sept. p. 23.
Battle Against Rust. By Georg Mann. Oct. p. 21.
Here Are Tomorrow's "Wonder Metals." By Eugene W. Nelson. Nov. p. 16.
Danger, Silent Sound At Work! By Eugene W. Nelson. Dec. p. 15.
Mighty Argonne. By Warren L. Anderson. Dec. p. 18.
The Fabulous Fluorocarbon. By Warren Anderson. Jan. p. 16.

EDITORIALS

- Unexpected Dividend. Return Squeeze? Prospering By Discrimination. Feb. p. 7.
Uncle Sam's Book-of-the-Minute Club. Justice Douglas and Property Rights. Mar. p. 7.
Page King Solomon. New Light On Housing. To Perpetuate Hoover Report. Apr. p. 7.
Needed—Union Statesmanship. As Others See Us. Securities and Education. Tax Awakening. May p. 7.
Seeing's Believing. Revealing Comparison. Make Work Again. It's Official. June p. 7.
The Melody Is The Same. Confusion Compounded. Future Bright? July p. 7.
Readjustment Without Government. Comparison With Differences. Labor Statesmanship. Aug. p. 7.
An Expert On Monopoly Views Labor. Security From Business. Tough Job. Sept. p. 7.
First Step Only! Red Feather Time. Welfare At a Deficit. Oct. p. 7.
Right Answer—Wrong Reason. A Page From Business' Book. Nov. p. 7.
Idea Gone Wrong. Who Is The Big Bad Wolf? Miner Lewis in 1950. Dec. p. 7.

CONTRIBUTORS

- Ames, Janine. The Case For the Defense: Edgar vs. Secretaries. Nov. p. 21.
Andersen, A. M. What's Wrong With Direct Mail? July p. 15.
Anderson, Warren L. Block That Ulcer! Aug. p. 15. Death's Worst Enemy. Oct. p. 16. Mighty Argonne. Dec. p. 18. The Fabulous Fluorocarbons. Jan. p. 16.
Barton, Bruce. Behind Our Own Iron Curtain. June p. 21.
Beaty, John Y. Security For Sale. Jan. p. 15.
Browne, Robert F. Where Personnel Departments Fail. June p. 18.
Edgar, H. P. Goodby, Miss Jones! Oct. p. 15.
Egan, Edward A. Voluntary Arbitration Needs Less Heat—More Light. Mar. p. 22.
Egelhof, Joe. Weather Meets Its Master. May p. 16.
Farrar, Larston D. How Are Those Vet Businesses Doing? Feb. p. 21.
Fredman, Herbert. Had Any Coupons Yet? Billions More Are Coming. Mar. p. 18. There's a "New Look" In the Trust Business. Apr. p. 18. The Case For The Defense: Edgar vs. Secretaries. Nov. p. 21.

- Gardner, Burleigh B. The Boss May Be A Liability. Mar. p. 15.

- Hargrave, Homer P. The Equity Capital Problem. July p. 20.
Hoffman, Paul G. What ECA Has Achieved For Europe. Jan. p. 21.

- Keezer, Dexter M. As Capital Expenditures Go So Goes Prosperity. May p. 23.
Kent, John L. Business Books... At Bargain Prices. Jan. p. 20.

- Laird, Dr. Donald A. Men, Men, Men. Aug. p. 16. The Art of Talking To Employees. Jan. p. 18.
Lawrence, J. D. Nylon Without Glamour. Apr. p. 16.
Levy, Sid A. Labor's Bright Young Men. June p. 13. Exit the Red Fringe? July p. 13. Taft-Hartley—The Law That Escaped Repeal. Sept. p. 15.
Luckman, Charles. A Fighting Faith For America. Aug. p. 21.
Lyon, Leverett. The Delivered Price Controversy. Mar. p. 23.

- Mann, Georg. Is Your Money Out-of-Date? Apr. p. 15. Atom Worries: There's More to

Fear Than the Bomb. May p. 13. Mines Above Ground. June p. 16. Doing Big Things On a Small Scale. July p. 16. Atomic Understudy. Sept. p. 23. Battle Against Rust. Oct. p. 21. The Sportsman's Wallet: No Bottom? Nov. p. 18.

McCracken, Lawrence. The Unique Art of Listening. Too. Jan. p. 19.

McMurry, Robert N. What Do Workers Really Think of Management? Dec. p. 16.

McWethy, John A. There's Nothing Academic About The Profits! Mar. p. 25. Glue Minus Old Dobbin... May p. 18. Breakfast... Factory Made. Aug. p. 13.

Melnitsky, Benjamin. Research On A Small Scale. May p. 20.

Moulton, Harold G. The Next 100 Years: Our Richest Yet? Dec. p. 21.

Nelson, Eugene W. Photography Dons Overalls. Feb. p. 18. Beryllium: Muscle-Builder For Other Metals. Mar. p. 20. Boom In Nothing. June p. 20. Here Are Tomorrow's "Wonder Metals." Nov. p. 16. Danger, Silent Sound At Work! Dec. p. 15.

Nicholson, Daniel F. End of An Era: G. I. Joe Leaves the Campus. Sept. p. 18. New Stock Mart Aids Midwest Financial Independence. Oct. p. 20.

Oates, James F. Jr. The Equity Capital Problem. July p. 20.

Olds, Irving S. The Economic Facts of Life and the Steel Industry. Feb. p. 20.

Raymond, Joseph. Point Four: A Businesslike Plan For World Recovery. May p. 15.

Riley, Lewis A. Static: Industry's High-Voltage Hot Foot. Feb. p. 15. Dear Sir... Bring All Records. Apr. p. 19. Gardeners... In Business Suits. Aug. p. 20. Fire Waste—The Tide Turns! Oct. p. 13. Star Spangled Salesmanship. Nov. p. 15.

Robins, Jack. M-Day Planning As It Stands Today. Feb. p. 17. What's Ahead in Washington? Jan. p. 13.

Root, George. Watch That New "Wages and Hours" Law. Jan. p. 23.

Savesky, Betty. Brokers' Row Sets Its Sights On John Q. Public. Aug. p. 18. Productivity On the Upgrade. Sept. p. 13. Malts, Money Movies—The Drive-In Business Is Booming. Oct. p. 18. Toys, Unlimited! Nov. p. 20. Operation Cost Cutting. Dec. p. 13.

Sawyer, Charles. Can A Businessman Really Help World Understanding? Apr. p. 21.

Slevin, Joseph. Trustbusters Chart Sweeping Anti-Monopoly Drive. Feb. p. 13. What's Ahead—Readjustment, Recession or Depression? Mar. p. 13. "Both-ways-At-Once" Policy: Expect Boom; Plan For Bust. Apr. p. 13. High Finance... By Candlelight. June p. 15. Taxes Headed Down—Not Up. July p. 19.

Slichter, Sumner H. Industry's Real Need—More Expansion. Mar. p. 17. Business Forecast: Fair. Sept. p. 16. Will Recovery Continue? Nov. p. 13.

Wilson, Robert E. The Equity Capital Problem. July p. 20.

Here, There and Everywhere

(Continued from page 8)

only about 400,000 persons have net incomes four or more times this amount. What effect these facts may have on British car ownership can't be determined accurately today, since most British cars are now governmentally tagged for export. But *The Economist* makes this observation: "Unless the present relationship between costs (including purchase tax) and incomes is very radically altered, the permanent domestic market for the British motorcar industry... will be only a fraction of what it was."

• Lots of School Raisings — The

vast increase in the number of toddlers and pre-teen-agers during the last decade is news to no one, but the estimated cost of new school buildings they now need may be. One expert on the subject, John H. Bosshart, former president of the National Council of Chief State School Officers, estimates that the construction and remodeling of school buildings will cost about \$7,000,000,000 during the next 10 years.

• State Tax Variations — State tax collections during the 1948-49 fiscal year showed some rather startling contrasts between neighboring states, as well as between states of similar economic standing. According to Commerce Clearing House, Louisiana collected the highest tax per person in the nation, approximately \$92.19 for each inhabitant. At the other extreme, Nebraskans paid the lowest per capita tax, about \$35.92. Other states with top tax rates included California with \$83.41 per capita, Washington \$90.07 and New Mexico \$86.87. Nebraska shared the lowest rate per capita with New Jersey \$40.90, Mississippi

\$43.79, Alabama \$41.11, Georgia \$37.89 and Kentucky \$40.86.

• New, Big Brain — A \$250,000 electronic computer that is expected to save scientists many years of research on problems ranging from the design of auto springs to economic figure-juggling has been unveiled at the Technological Institute of Northwestern University. Built by the Westinghouse Electric Corporation, the computer doesn't actually think, merely computes at a super-speedy rate. Essentially, this means feeding complex equations into the mechanism, which in turn digests the figures and presents the quick-calculated results in graphic form on an oscilloscope, which looks much like a television screen.

Security For Sale

(Continued from page 30)

into use, they often create new business hazards. When oil burners came into use, it was discovered that, under some conditions they may produce a smudge which will injure or permanently destroy the

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Advertisers' Index ★ January, 1950

A		J	
A-Z Letter Service	47	James, D. O., Gear Manufacturing Co.	47
Advertising Corp., The	33	K	
Allgauer's Nufer Restaurant	35	Kedzie Protective Patrol	47
Allied Photo Engravers	38	Kellogg Switchboard & Supply Company	8
Archibald, E. L., Company	35	Kling Brothers Engineering Works	47
B		M	
Batley & Childs	35	Marsh & McLennan, Inc.	43
Boynton, A. J., Company	26	McNeilly, H. J., & Company	32
L. V. Bullis — Position Wanted	47	Mercil, B., & Sons Plating Company	45
Buyers' Guide	37	Metropolitan Electrical Supply Company	47
Byrnes McCaffrey, Inc.	31	Moore, Case, Lyman & Hubbard	28
C		Mueller, V., & Company	35
Capital Airlines	25	N	
Chicago Belting Company	I. F. C. 46	National Pesticide Company	47
Chicago Electric Company	46	North Shore Warehousing Corp.	38
Chicago Name Plate Company	47	O	
Chicago Offset Printing Company	47	Office Furniture Clearing House	47
Chicago Planograph Corp.	47	P	
Chicago Tribune	B. C. 47	Parker Addison Industrial District	39
Chicago Wheel & Manufacturing Company	47	Pedersen's Protective Patrol	47
Clearing Industrial District	3	Peoples Gas Light & Coke Company	I. B. C. 35
Commercial Business Cards	47	Personnel Laboratory, The	35
Commonwealth Edison Company	4	Pesticide Company	47
Crown Office Supply Company	39	Peterson, William — Position Wanted	47
Curtis Piano Course	47	Phipps Industrial Land Trust	34
D		R	
DeLeuw, Cather & Company	38	Rehnquist, T. A., Company	38
E		Research & Development Corporation	32
Efengge Electrical Supply Company	26	Roosevelt College	6
Englewood Electrical Supply Company	11	S	
Excel Electric Service	29	Schuh, C. J., & Associates	47
F		Sheridan, L. J., & Company	27
Fulton Asphalt Company	47	Snow, Fred, Steel Treating Company	35
H		Szane, Pauline — Position Wanted	47
Haines Company, The	33	U	
Hargrave Secret Service	47	United Air Lines	2
Harrington, J. J., & Company	47	V	
Harvey Metal Corp.	47	Van Norman Molding Company	30
Hulburd, Warren & Chandler	10	Van Vlissingen, J. H., & Company	34
Hyre Electric Company	41	W	
I		Weber, B. E., Company, Inc.	35
Indiana State Chamber of Commerce	31		
Iron Fireman Manufacturing Company	1		

value of certain household equipment. The insurance companies thus offered "oil burner smudge insurance" which is a contract in which the company agrees to repay the insured for loss or damage to furniture, rugs, pictures, and walls caused by smoke and soot from an oil burner.

A mere listing of all specialized types of business hazard insurance would, of course, fill many pages. Here, briefly, are some of the major types:

Errors and omissions insurance: a form of protection for mortgage loan companies, banks and building and loan societies that protects the mortgagee in event that, through oversight, proper specific insurance is not put in force or collected.

Accounts receivable insurance: a protection against loss by fire, lightning, or other catastrophe of records of amounts owed you for goods shipped, with result that customers could not be billed.

Malicious damage insurance: protection against destruction of or damage to property during a strike or other type of disagreement.

Occupational disease insurance: protection against claims of employees made ill by some hazard which is present in the regular operation of a business.

Riot or civil commotion insurance: protection against losses resulting from deliberately disorderly acts of three or more persons which terrorize the public and damage property (classified as riots or civil commotions).

Paraphernalia insurance: protection for individuals responsible for flags, banners, lodge equipment and similar articles.

Libel insurance: protection for publishers against claims arising out of libel, plagiarism, piracy or copyright infractions.

Broadly speaking there are few business hazards which are not already covered by some form of special-purpose insurance policy. As fast as new hazards arise, new forms of protection usually follow. In fact, a businessman who believes he faces a really unique hazard would probably find an underwriter ready to provide protection for him—in almost less time than it took to describe the risk!

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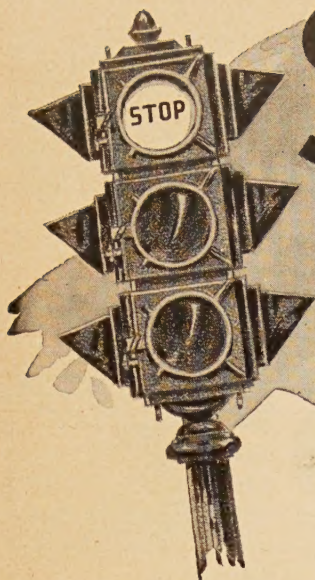
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Professor: "I say, you in the automobile—your tubular air container has lost its rotundity."

Motorist: "Who?"

Professor: "The elastic fabric surrounding the circular frame whose successive revolutions bear you onward in space has not retained its pristine roundness."

Motorist: "What?"

Professor: "I say, the cylindrical apparatus which supports your vehicle is no longer inflated."

Motorist: "Which?"

Small Boy: "Hey, mister . . . you got a flat tire!"

A Sunday School teacher had been telling her class of little boys about crowns of glory and heavenly reward for good people.

"Now tell me," she said at the close of the lesson, "who will get the biggest crown?"

There was silence for a while; then Johnny replied: "Him wot's got the biggest head."

"I was so cold last night I couldn't sleep. I just lay there and shivered."

"Did your teeth chatter?"

"I don't know, we don't sleep together."

The tourist stopped at a small hot dog stand along the roadside, ordered coffee from a vinegar-visaged waitress.

Just to be polite, he said, "Looks like rain, doesn't it?"

"Well," snapped the old gal, "Tastes like coffee, don't it?"

Ida: "I hear you have accepted him. Did he happen to mention that he had proposed to me first?"

Ina: "Not specifically. He did say he had done a lot of foolish things before he met me."

The mother and daughter were busy with the wedding plans when the bridegroom-to-be called. He watched the preparations rather impatiently for a while, until his future wife noticed his look of annoyance.

"Darling, we have such a lot to do," she soothed, "and if we want to make our wedding a big success we mustn't forget the most insignificant detail!"

"Oh, don't worry about that," murmured the young man. "I'll be there all right."

Louis the Lug had just been released from prison. As he was walking down the street, he ran into an old pal from Sing Sing, Syracuse Sam.

"Say, Sam," ventured Louis, "could you let me have a little dough?"

"Sure thing," said Sam, forking over a five-spot.

Louis looked at the five for a minute and then inquired: "You couldn't make that ten could you, Sam?"

"No, no, not me," demurred Sam. "That's what I did them five years for!"

The inebriated husband tip-toed up the stairs. He patched up the scars of the brawl with adhesive tape then climbed into bed, smiling at the thought that he's pulled one over on his wife.

Came morning. He opened his eyes and there stood his angry wife.

"You were drunk last night," she said.

"Why, darling, I was nothing of the sort."

"If you weren't then who put all the adhesive tape on the bathroom mirror?"

'Twas dawn when the new father whispered to his wife: "It must be about time to get up."

"How can you tell?"

"The baby's gone to sleep."

Two drunks were discussing the night before. "Had the funniest dream last night," said one. "I dreamed that about a thousand little men were dancing around all over me. They had pink caps and green suits and little red boots curled up at the front."

"Yes," agreed the other, "there was a little bell on the toe of each of the boots."

"How do you know that?" asked the first drunk in surprise.

"There's still a couple up on your shoulder," said the other.

"Paw," said the farmer's son, "I want to go to college and learn to be a doc. I think I'll study obstetrics."

"Likely you'll be wasting your time, Son, as soon as you learn all about this obstetric-thing, some one will find a cure for it."

Two young men saw two pretty girls meet and embrace.

"That's what is wrong with this country," said one boy.

"What do you mean?" asked the other.

"Women doing men's work."

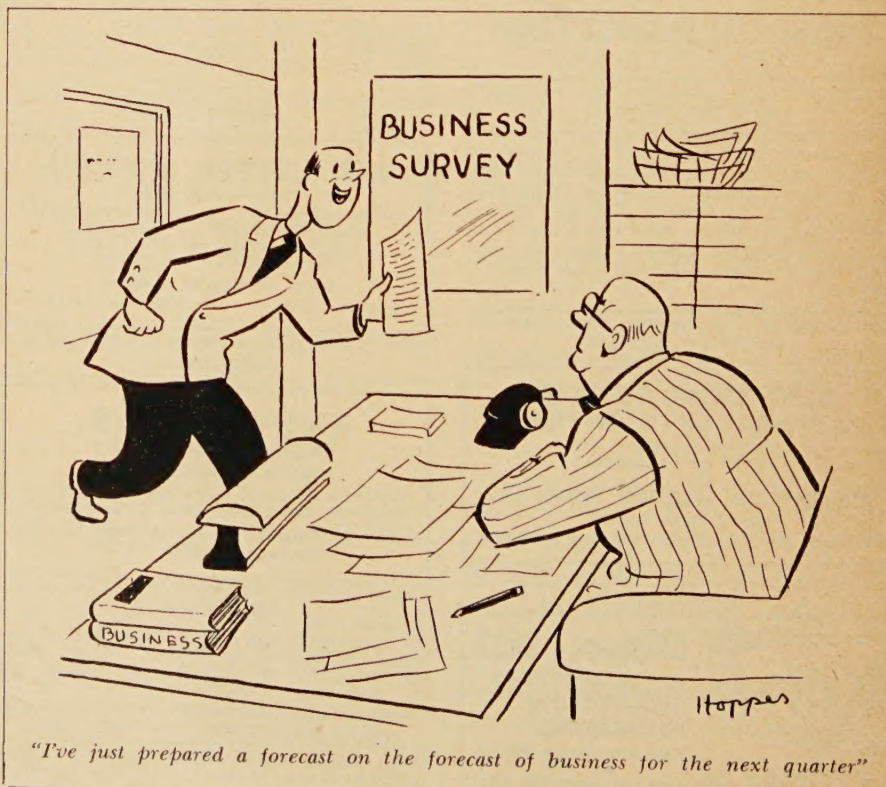
An Indian refused the offer of a job. "White man invented work—let him keep it."

Two buzzards were lazily soaring over the desert when a jet-propelled plane zipped by them, its exhaust throwing flame and smoke. As it whizzed out of sight, one of the buzzards remarked: "That bird was really in a hurry."

"Listen," said the other, "you'd be in a hurry, too, if your tail was on fire."

Jack: "Have any of your childhood dreams been realized?"

Tim: "One of them. When my mother combed my hair I used to wish I didn't have any."



"I've just prepared a forecast on the forecast of business for the next quarter"

FASHIONS AND FOOD



Mrs. Catherine Myer, exec. secy., Bonwit Teller-Chicago, riffls through just a few of the charge account applications received after the store ran a full page ad in the Tribune inviting readers to open new accounts. In the first two months after opening in Chicago, the new fashion establishment placed in the Tribune better than 70 cents of every dollar spent for advertising in Chicago newspapers.



Mayor Kennelly cuts ribbon opening new Spiegel Fashion Store, as Joel Goldblatt (center), pres., State Street Council, and Modie J. Spiegel, Jr., pres., Spiegel, Inc., look on. During the first eight months of 1949, Spiegel retail stores placed in the Tribune more of their promotion funds than in all other Chicago newspapers combined.



Harold Catherwood (right), district sales mgr., grocery products div., Borden Co., and Paul Dean, Chicago Tribune gen. adv. staff, sample Hemo at a recent trade exhibit in Chicago. During the first nine months of 1949, the Borden Co. placed more of its appropriation in the Tribune than in any other Chicago newspaper.



Cover girl Betty Ribble models the \$2,000.00 prize winning gown, designed by Oldric Royce of New York, and adjudged the top prize winner by audiences attending the Chicago Tribune's tenth annual American Fashion Show. Week after week since Oct. 2, the Chicago Sunday Tribune Color Picture section has reproduced in full color the originals developed in this nationwide competition.

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